



# UTAH STATE 2021

**ACA** – Individual and Small Group

# UTAH STATE 2021

RATES

**ACA** – Individual and Small Group

# ASOP 41 Reliance

- I have relied on data and analysis from each company submitting rate filings in the Individual and small group market. I reviewed data for reasonableness and compared to prior filings and other exhibits to ensure consistency. I reviewed each filing for internal consistency of assumptions as well. If the data from the companies has material errors, the results of my analysis may also be erroneous.
- While I relied on the data provided in the URRT, actuarial memoranda, and other exhibits, I made my own determination about the reasonableness of the rates given the information provided.
- For some assumptions I relied entirely on the work of the filing actuary because it would have involved a substantial amount of additional work to completely vet the assumption and the general nature of a regulatory actuary requires some reliance on the expertise of the filing actuary. These assumptions include: risk adjustment (including 60% of claims > 1M), projected autism benefits as a portion of premium, mapping of benefits for all plans to each AV calculation, administrative expenses, projected changes in morbidity and demographics, proportion of benefits that are non-EHB, effects of changes in provider networks, impacts of capitation, historic claims/premiums/enrollment/APTC/non-EHB.
- Actuarial Standard of Practice 41 suggests that I provide the name, title, and contact information of the actuary that set assumptions on which I relied in an actuarial report unless it would be inappropriate to do so. I believe that based on general audience the public nature of this report such a disclosure would be inappropriate. If the names and contact information are required, I can supply them on an individual request basis, though this information is also available through [healthrates.utah.gov](http://healthrates.utah.gov) in each rate filing.

# Disclaimers

- Determining the “average rate increase” over the prior year is non-trivial and has many interpretations. The calculation is complicated by:
  - Discontinued plans and membership crosswalked from one plan to another
  - The granularity of the enrollment data
  - Required benefit changes to keep within the -4/+2% de minimis Actuarial Value calculator metal ranges
  - The Uniform Modification rules (benefit changes that are small enough to say the plan is the same plan as last year and not a “new” plan)
  - Changes in provider contracts that can affect the rates independently of the benefits
  - Changing assumptions in the relativity of the cost of care between rating areas
  - Differing plan availability by county
  - CSR funding (or non-funding)
  - A hundred other things that won't fit on this slide
- Information in these slides is accurate as of 11/12/2019, but may be subject to change

# 2021 **A**verage Rate Increase

## Individual Market -1.0%

- Catastrophic -2.0%
- Bronze -0.6%
- Silver -1.5%
  - Silver On -1.5%
  - Silver Off -1.0%
- Gold -0.9%

## Small Group Market + 3.9%

- Bronze 4.1%
- Silver 3.6%
- Gold 3.9%
- Platinum 6.0%

Uses URRT membership combined with consumer justification and rate filing information about the size of the rate increase to calculate the average market increases

# Covid Impact on Rates

- Most carriers took a wait and see approach
- We allowed carriers to change rates up to Aug 3<sup>rd</sup> based on updated covid assumptions
- One carrier included a very small covid charge and the rest projected 2021 to be mostly a normal claims year
- Post covid effects may be more pronounced as pent up demand increases, undiagnosed ailments surface, and testing costs and frequency increase

# 2021 Participants

2020 enrollment counts from the 2021 filing URRTs

## Individual Market

Insurer	On/Off	2020 Enrollment
SelectHealth	Both €	179,742
UUHIP	Both	16,078
Cigna	Both	6,306
Molina	Both	3,954
Regence BCBS*	Both	1,450
BridgeSpan	Both	16
<b>TOTAL</b>		<b>207,546</b>

## Small Group Market

Insurer	On/Off	2020 Enrollment
SelectHealth	Off	95,732
Regence BCBS	Off	29,413
UHC	Off	5,748
National Health**	Off	1,140
UHC of UT	Off	390
Humana	Off	209
WMI	Off	59
<b>TOTAL</b>		<b>132,691</b>

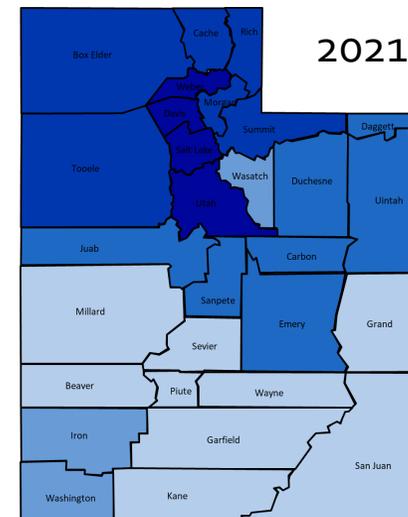
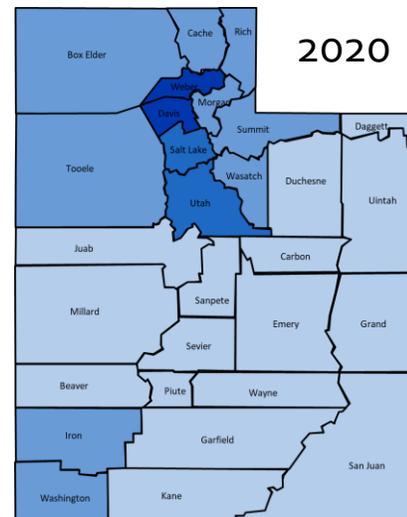
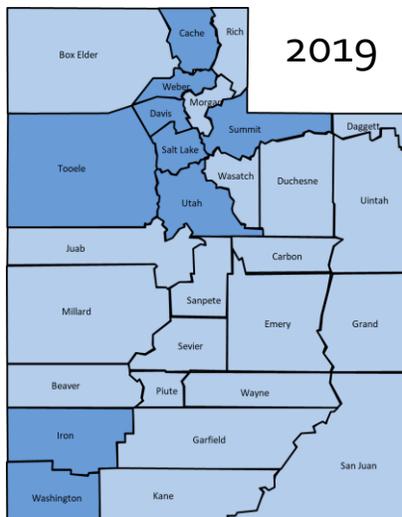
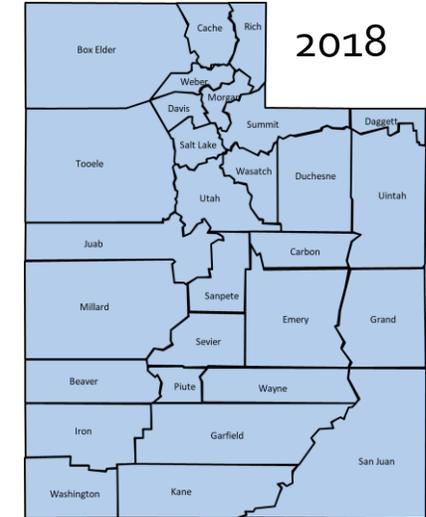
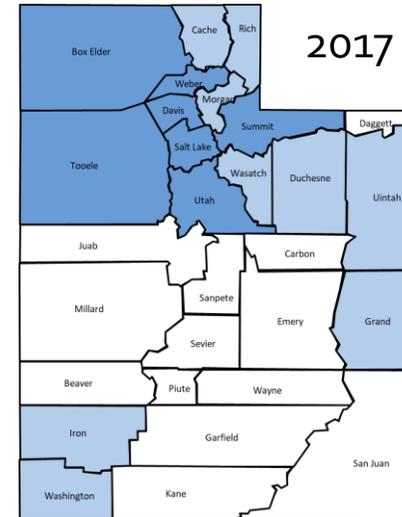
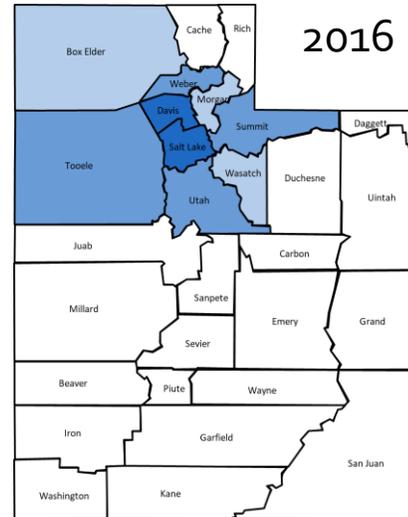
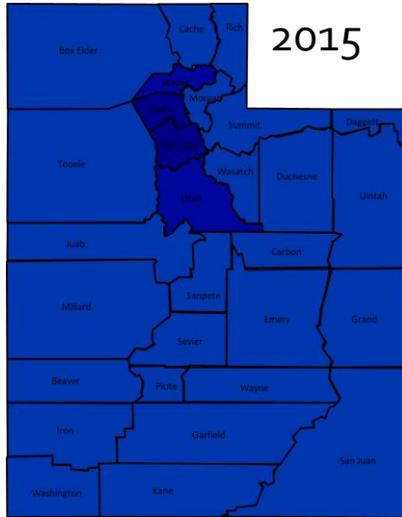
\*Regence has offered Off exchange since 2014 but 2020 is the first time they are going On exchange

\*\* National Health is exiting the Small Group market in Utah (and other states) as of 2/1/2021

€ If a plan is offered on the exchange it also has to be offered off the exchange. So any company offering on the exchange is also offering off exchange by default.



# 2015-2021 Individual On Exchange

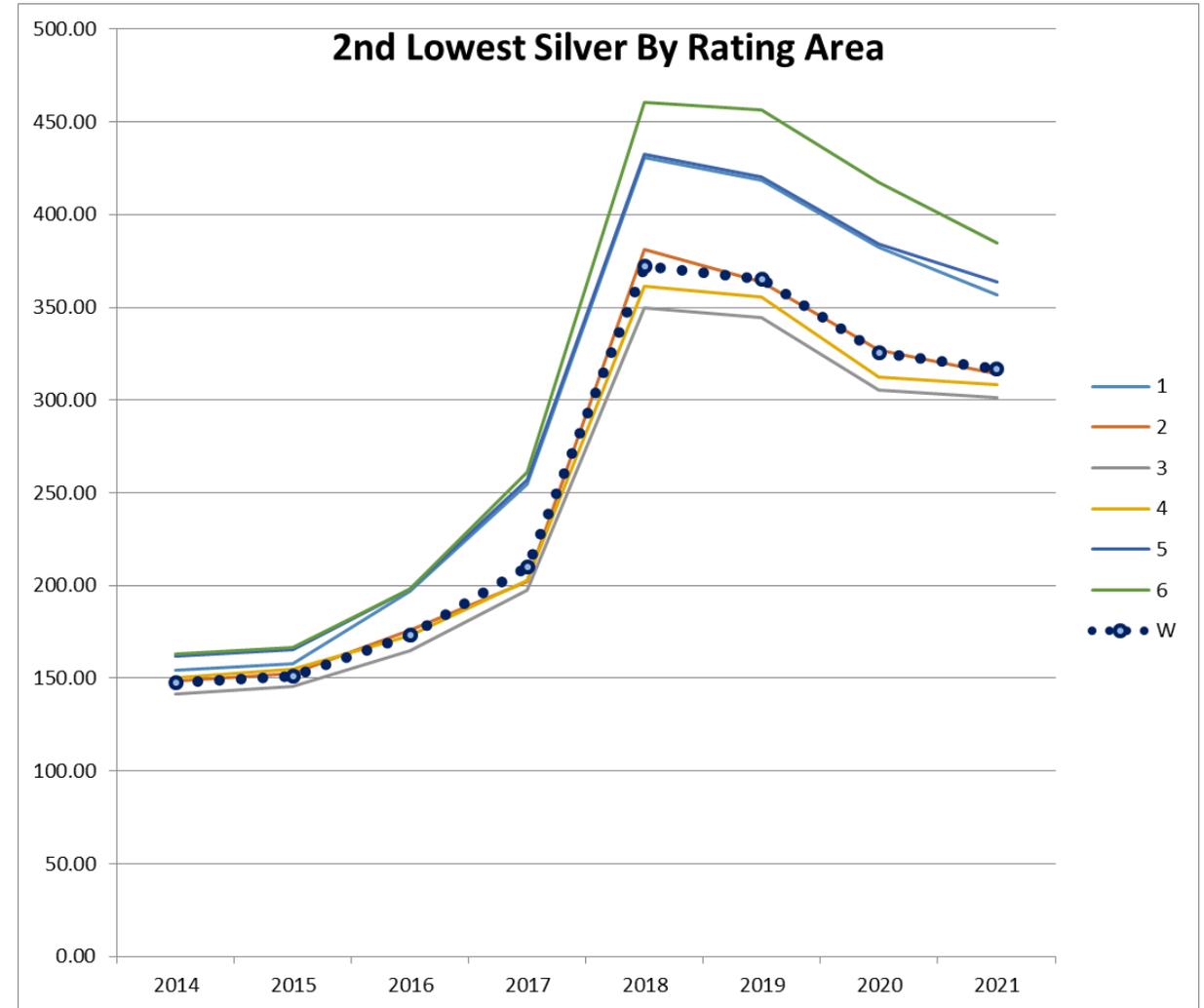


Count of Insurers

1	
2	
3	
4	
5	
6	

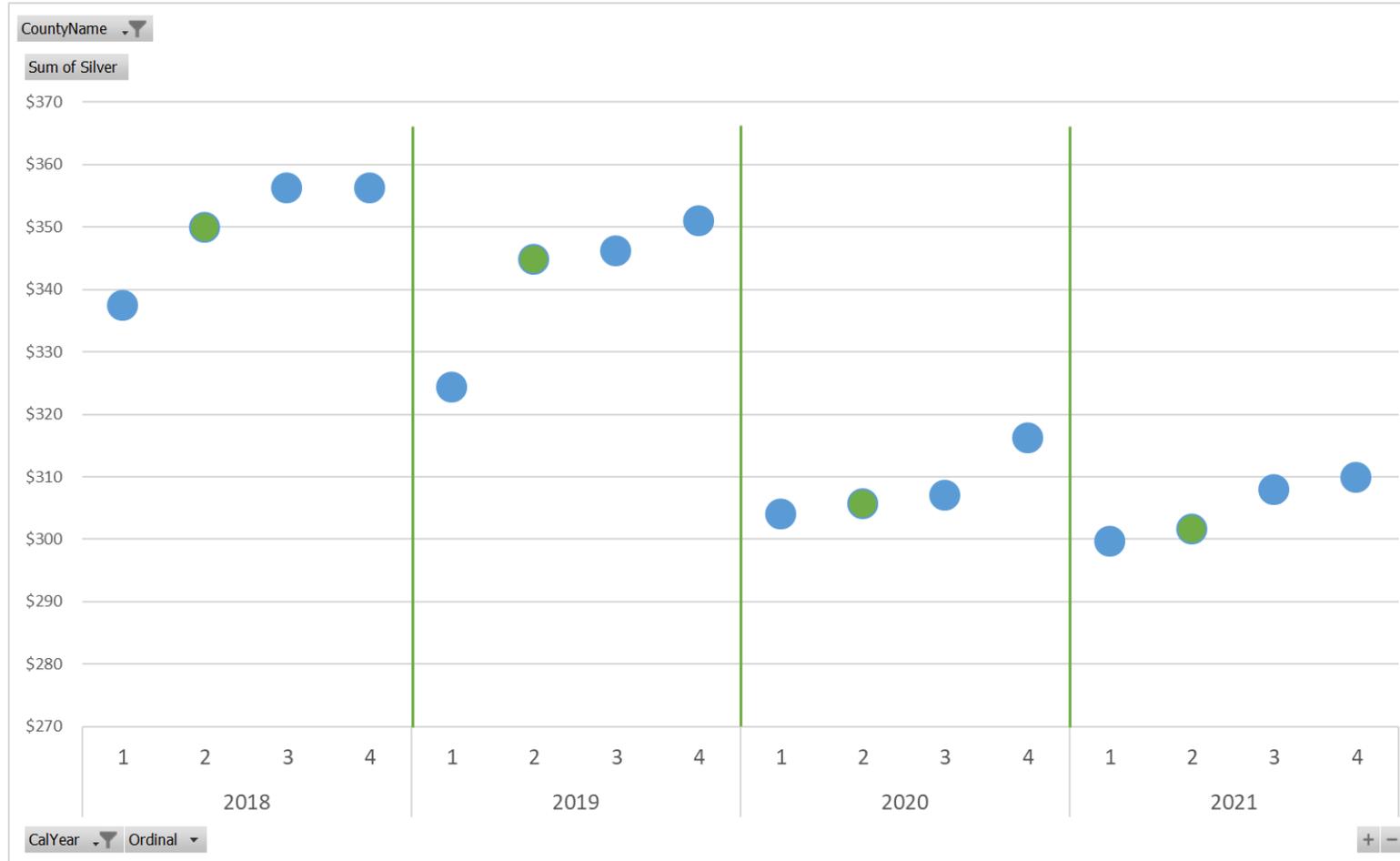
# 2<sup>nd</sup> Lowest Silver\*

CountyName	2020	2021	Increase
Beaver	417.27	409.1	-2.0%
Box Elder	347.66	314.31	-9.6%
Cache	382.26	356.79	-6.7%
Carbon	417.27	384.97	-7.7%
Daggett	417.27	384.97	-7.7%
Davis	305.51	301.53	-1.3%
Duchesne	417.27	384.97	-7.7%
Emery	417.27	384.97	-7.7%
Garfield	417.27	409.1	-2.0%
Grand	417.27	409.1	-2.0%
Iron	384.05	363.91	-5.2%
Juab	417.27	384.97	-7.7%
Kane	417.27	409.1	-2.0%
Millard	417.27	409.1	-2.0%
Morgan	347.66	314.31	-9.6%
Piute	417.27	409.1	-2.0%
Rich	382.26	356.79	-6.7%
Salt Lake	305.51	301.53	-1.3%
San Juan	417.27	409.1	-2.0%
Sanpete	417.27	384.97	-7.7%
Sevier	417.27	409.1	-2.0%
Summit	328.21	301.53	-8.1%
Tooele	316.15	301.53	-4.6%
Uintah	417.27	384.97	-7.7%
Utah	312.51	308.28	-1.4%
Wasatch	328.21	301.53	-8.1%
Washington	384.05	363.91	-5.2%
Wayne	417.27	409.1	-2.0%
Weber	326.89	314.31	-3.8%



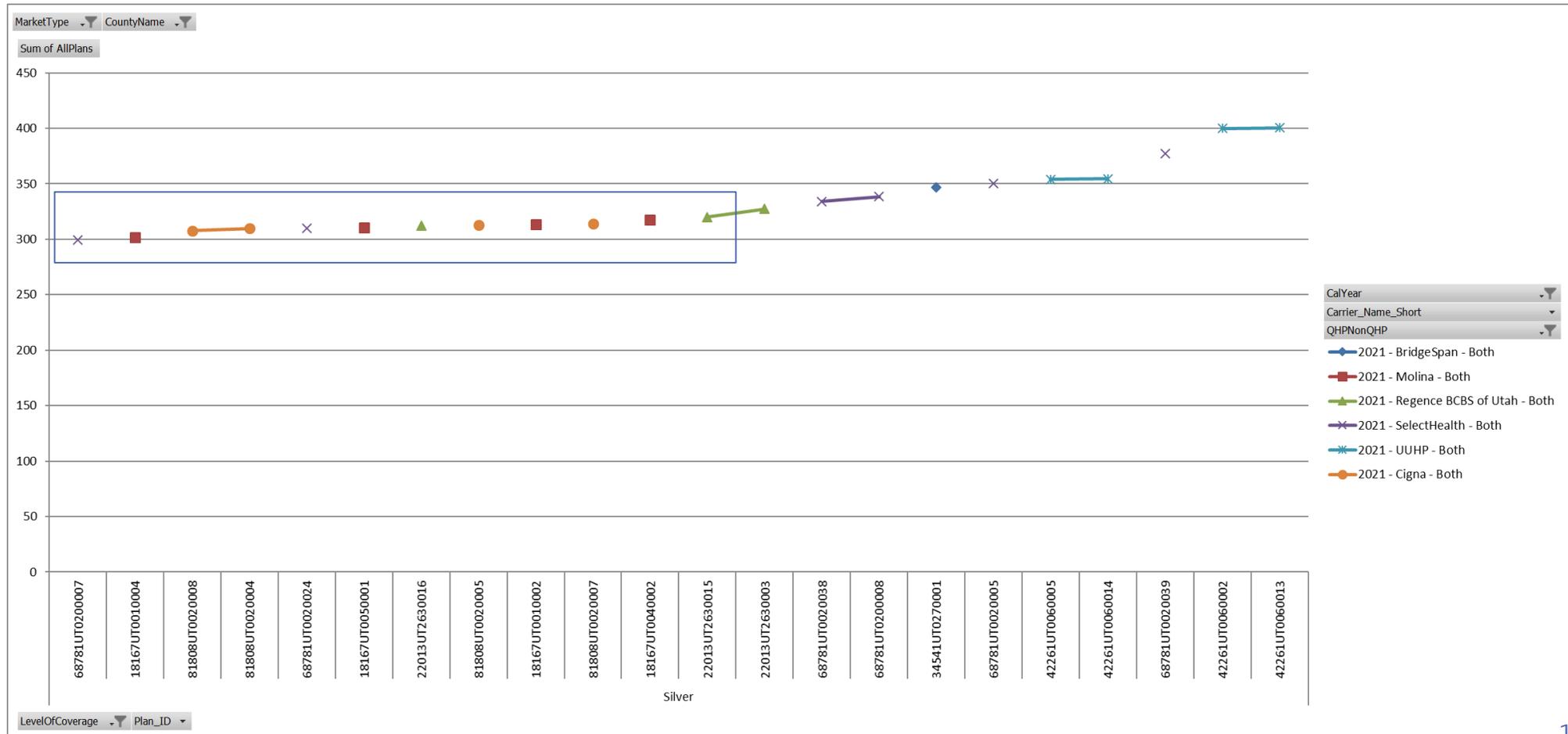
\*2<sup>nd</sup> lowest silver in 2021 is approximate. For years 2019 and later, if a plan doesn't have embedded pediatric dental then you have to add in additional premium to account for the missing EHB. These figures don't take into account the additional pediatric dental premium that might apply.

# 1<sup>st</sup>-4<sup>th</sup> lowest Silver – Salt Lake County

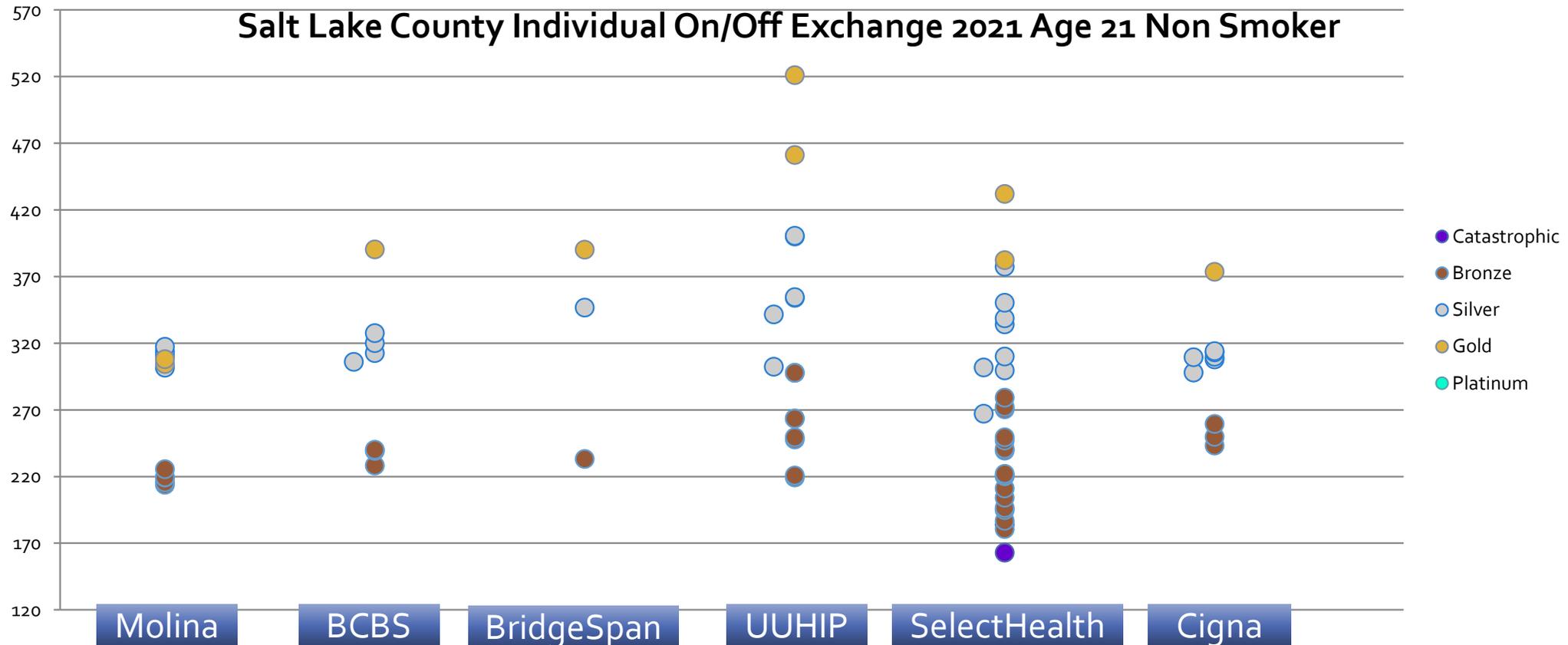


**A**ge 21, non-tobacco, Salt Lake County

# All Individual Silver On Exchange Salt Lake County (Age 21 non-tobacco) 2021

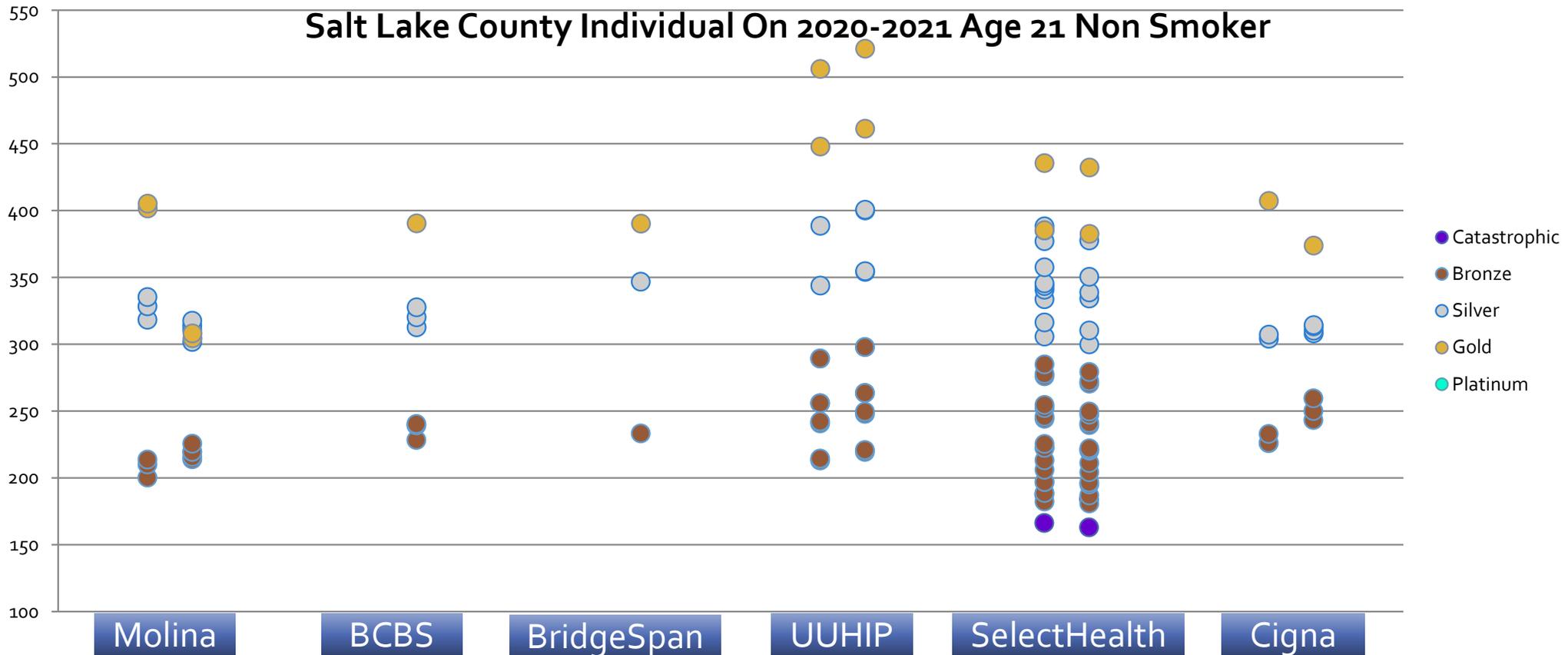


# 2021 Premium – Individual by Carrier



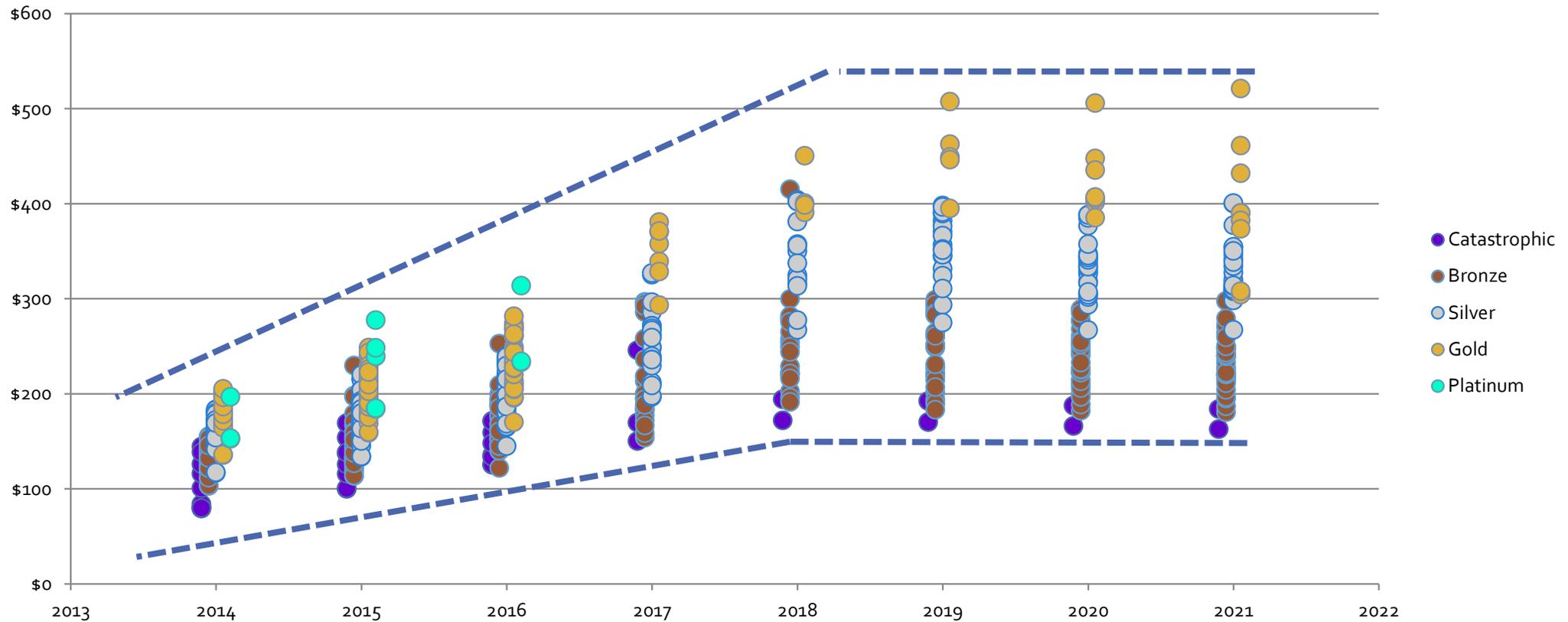
Plan dots that are slightly left of other plans for same carrier are plans that are offered off exchange only.

# 2021 Premium – Individual by Carrier



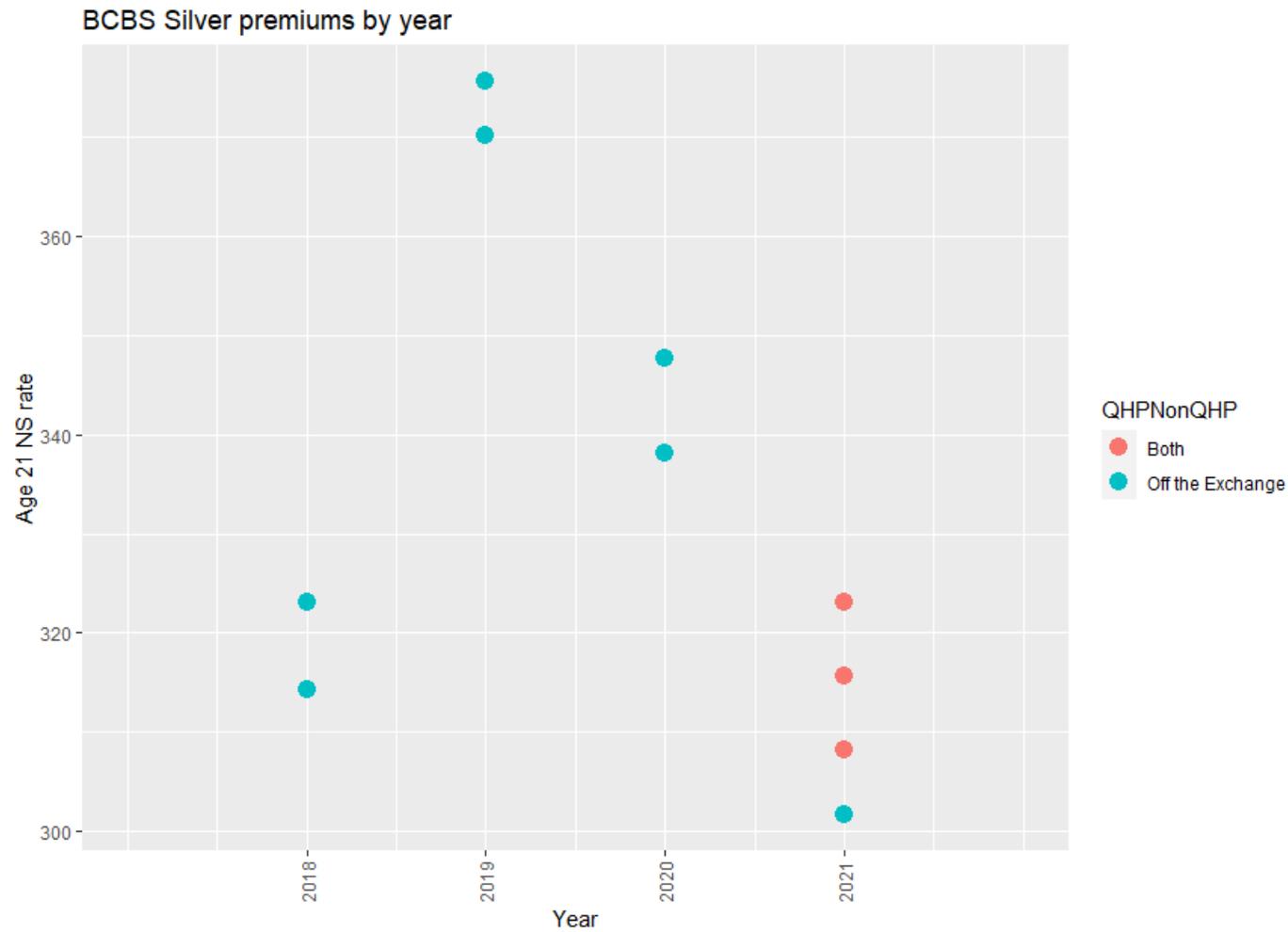
Plan dots that are on the left are 2020 plans, those on the right for the same carrier are 2021 plans.  
 BCBS and BridgeSpan only have plans for 2021 in Salt Lake County On Exchange

# Individual Rates – by Year

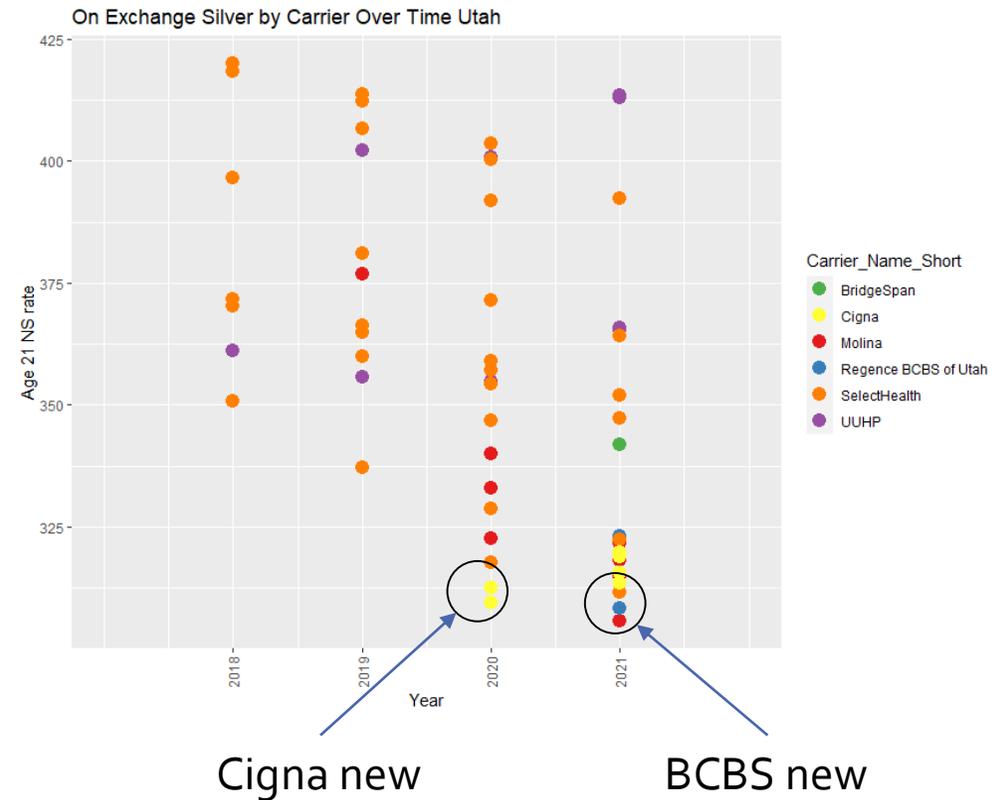
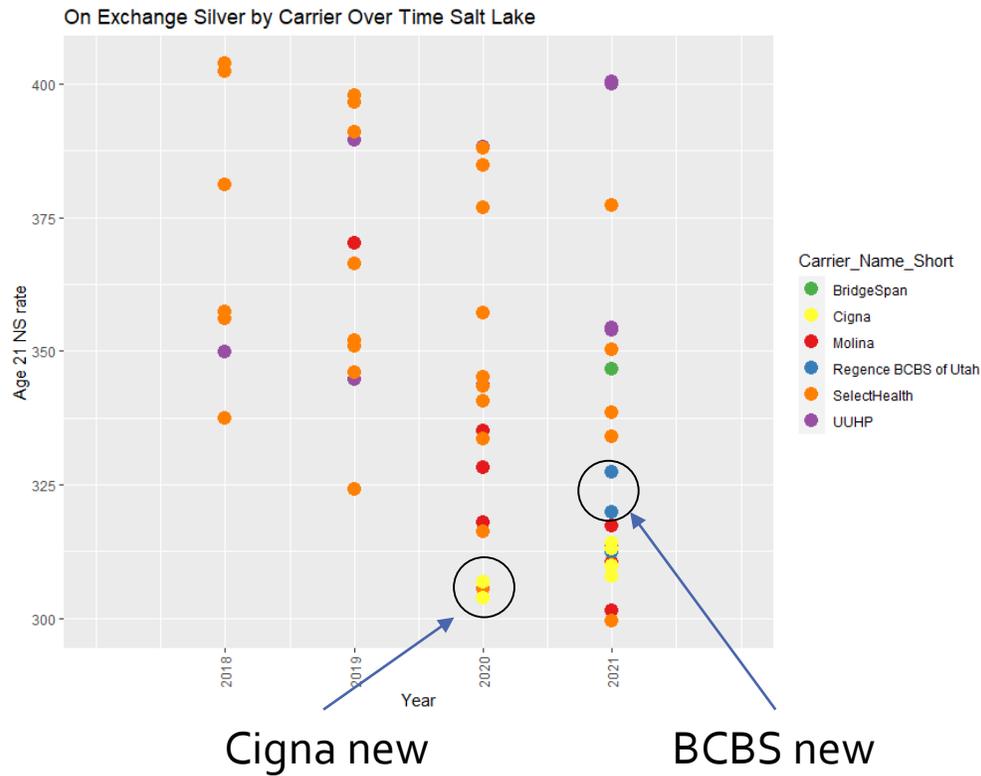


Premium - Salt Lake County, Age 21, Non-Smoker On & Off Exchange

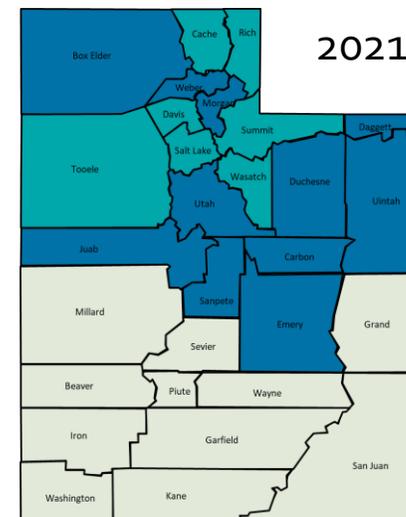
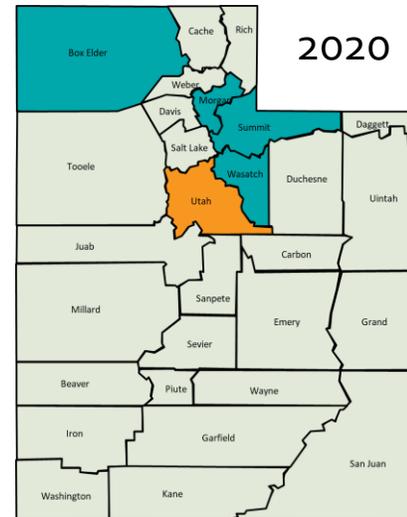
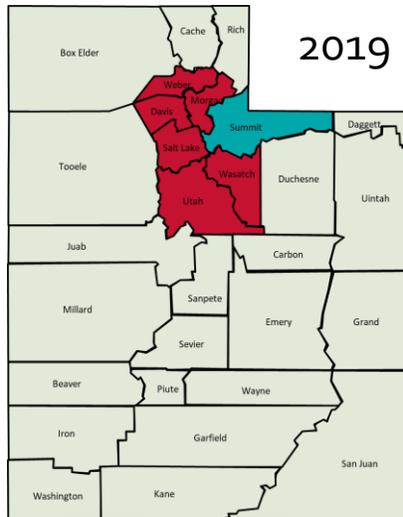
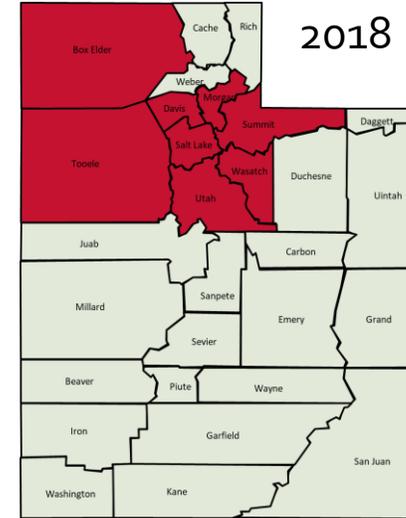
# Regence BCBS Silver – Utah County



# On Exchange Silver by Carrier



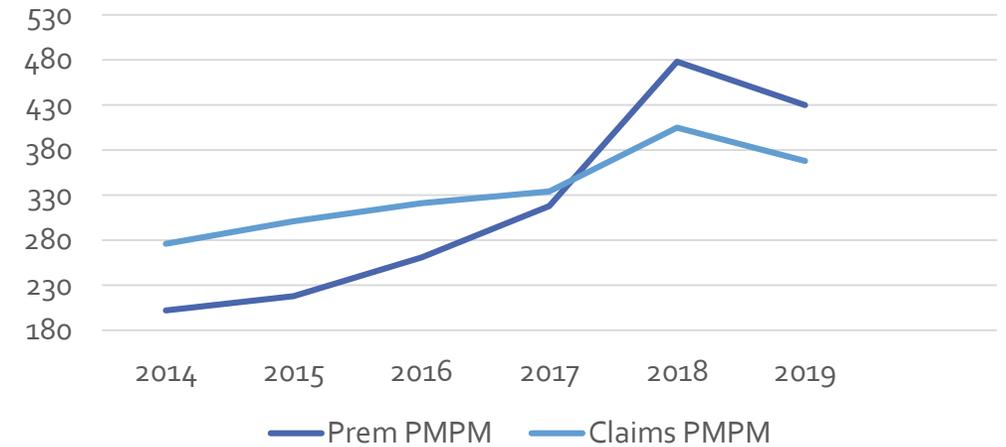
# 2016-2021 2<sup>nd</sup> Lowest Silver Carrier



Insurer

Cigna	Orange
Humana of Utah	Green
Molina	Teal
Regence BCBS of Utah	Blue
SelectHealth	Light Green
UUHP	Red

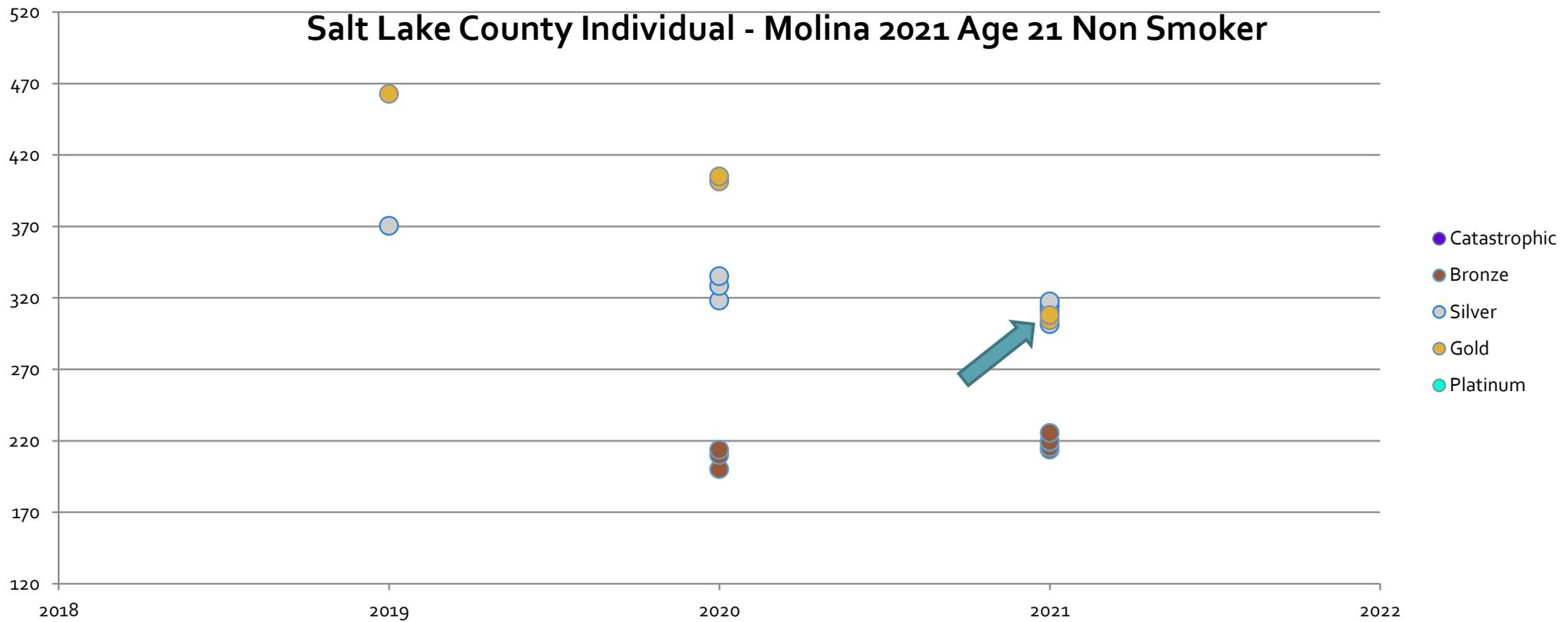
# Individual Market Loss Ratio Over Time



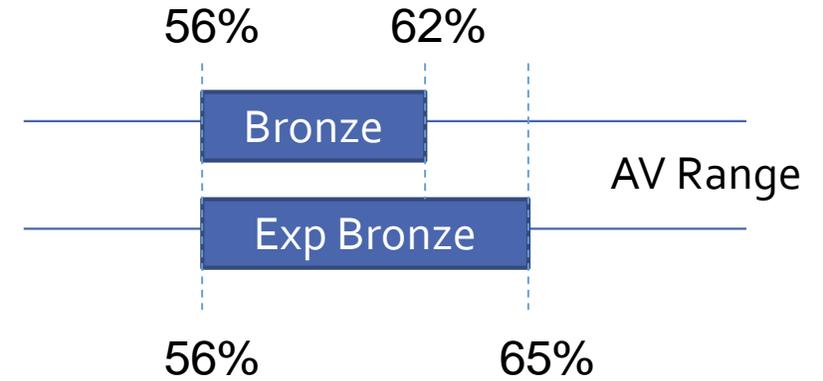
	2014 - 2016	2017	2018	2019	All Years
Premiums (net of MLR rebates)	1,526M	821M	1,147M	1,127M	4,621M
Incurred Claims (net of Rx rebates)	1,999M	862M	971M	965M	4,796M
Federal Reinsurance	-196M				-196M
Member Months	6.6M	2.6M	2.4M	2.6M	14.2M
Premium PMPM	231	318	478	430	325.51
Incurred Claims PMPM	303	334	405	368	337.87
Raw Loss Ratio	131%				104%
After Reinsurance Loss Ratio	118%	105%	85%	86%	100%

Year	Average increase
2017	30.0%
2018	39.6%
2019	-1.5%
2020	-1.8%
2021	-1.0%

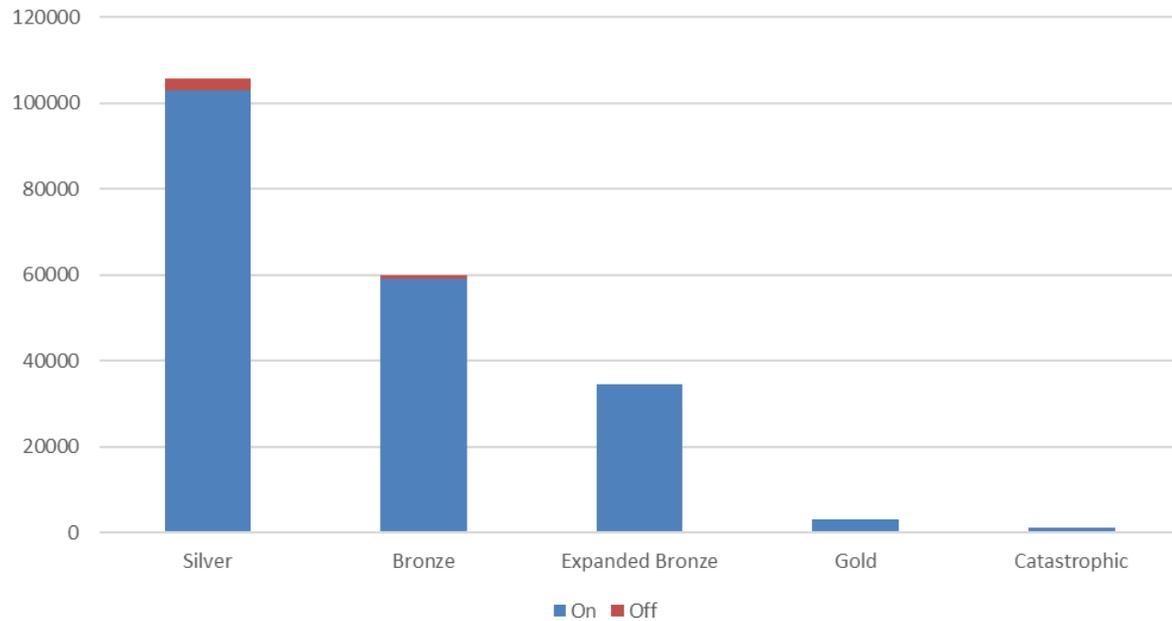
# Molina Plan Movement



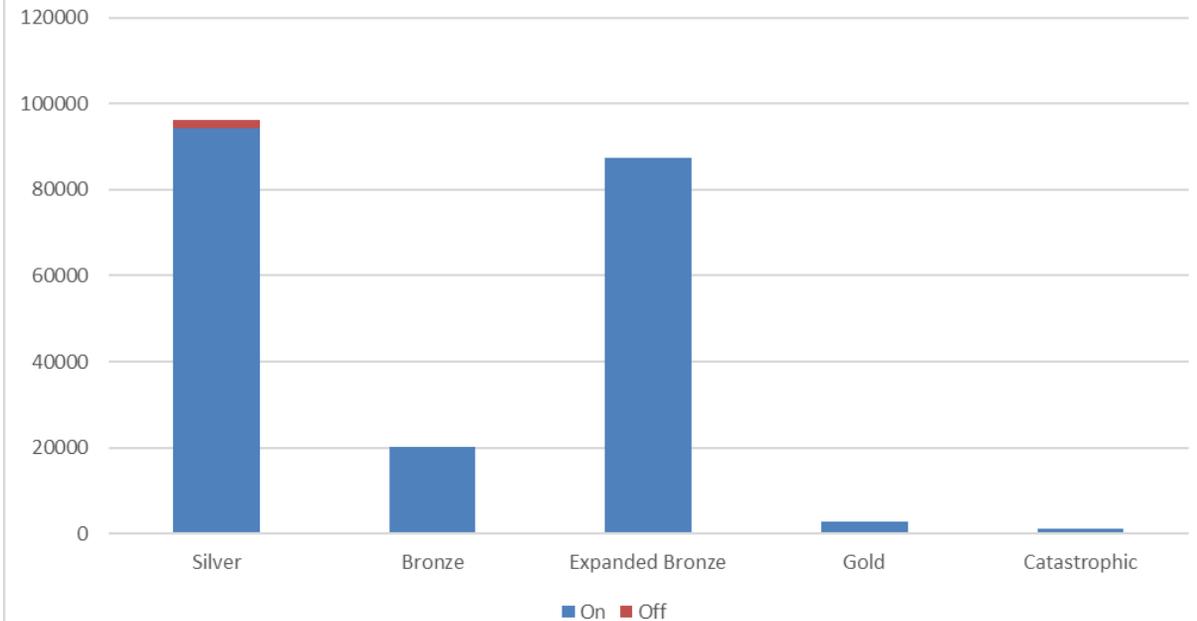
# Enrollment: Individual



2019 Individual Market Enrollment by Metal Level



2020 Individual Market Enrollment by Metal Level



# Digging for Gold in 2021

Plan ID	68781UT0020027	18167UT0010001
Insurer	SelectHealth	Molina
Plan Name	Value Expanded Bronze 6900 HSA Qualified	Confident Care Gold 1
Metal Level	Expanded Bronze	Gold
Age 21 NonTobacco Rate	\$196.35	\$304.20
AVCalcAV	0.648	0.789
MOOP	\$6,900 / \$13,800	\$6,500 / \$13,000
Deductible	\$6,900 / \$13,800	\$2,925 / \$5,850
Rx Deductible	(combined)	(combined)
Default Coinsurance	0%	20%
PCP	No Charge after deductible	\$10
Specialist	No Charge after deductible	\$50

 \$108 higher  
 \$4,000 lower

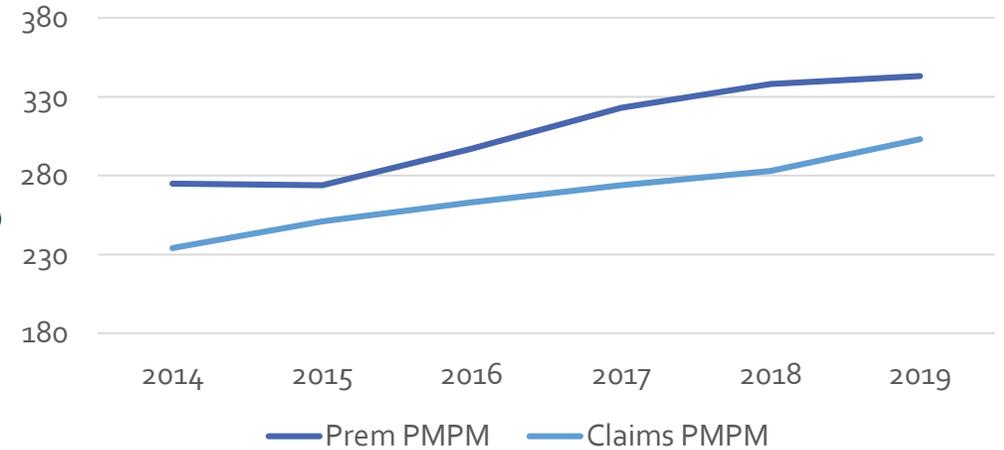
# Benefits Lowest Silver Plans Salt Lake County 2021

Plan ID	68781UT0200007	18167UT0010004	81808UT0020008	81808UT0020004
Position	1st Lowest	2nd Lowest	3rd Lowest	4th Lowest
Insurer	SelectHealth	Molina	Cigna	Cigna
Plan Name	Value Benchmark Silver 6500 - no deductible for office visits	Constant Care Silver 4	Cigna Connect 5000	Cigna Connect 1750
Metal Level	Silver	Silver	Silver	Silver
Age 21 NonTobacco Rate	\$299.60	\$301.53	\$307.78	\$309.83
AVCalcAV	0.661	0.694	0.676	0.693
MOOP	\$8,550 / \$17,100	\$7,450 / \$14,900	\$8,550 / \$17,100	\$8,550 / \$17,100
Deductible	\$6,500 / \$13,000	\$7,450 / \$14,900	\$5,000 / \$10,000	\$1,750 / \$3,500
Rx Deductible	(combined)	(combined)	(combined)	\$1,750 / \$3,500
Default Coinsurance	50%	0%	50%	50%
PCP	\$25	\$30	\$20	\$45
Specialist	\$60	\$65	\$75	\$0

# Benefits Lowest Silver Plans Salt Lake County 2021 – 94% CSR eligible

Plan ID	68781UT0200007-06	18167UT0010004-06	81808UT0020008-06	81808UT0020004-06
Position	1st Lowest	2nd Lowest	3rd Lowest	4th Lowest
Insurer	SelectHealth	Molina	Cigna	Cigna
Plan Name	Value Benchmark Silver 6500 - no deductible for office visits	Constant Care Silver 4	Cigna Connect 5000	Cigna Connect 1750
Metal Level	Silver	Silver	Silver	Silver
Age 21 NonTobacco Rate	\$299.60	\$301.53	\$307.78	\$309.83
AVCalcAV	0.938	0.936	0.954	0.949
MOOP	\$2,000 / \$4,000	\$725 / \$1,450	\$1,600 / \$3,200	\$2,000 / \$4,000
Deductible	\$0 / \$0	\$725 / \$1,450	\$0 / \$0	\$0 / \$0
Rx Deductible	(combined)	(combined)	(combined)	\$0 / \$0
Default Coinsurance	20%	0%	10%	10%
PCP	\$5	\$0	\$0	\$0
Specialist	\$15	\$10	\$15	\$0

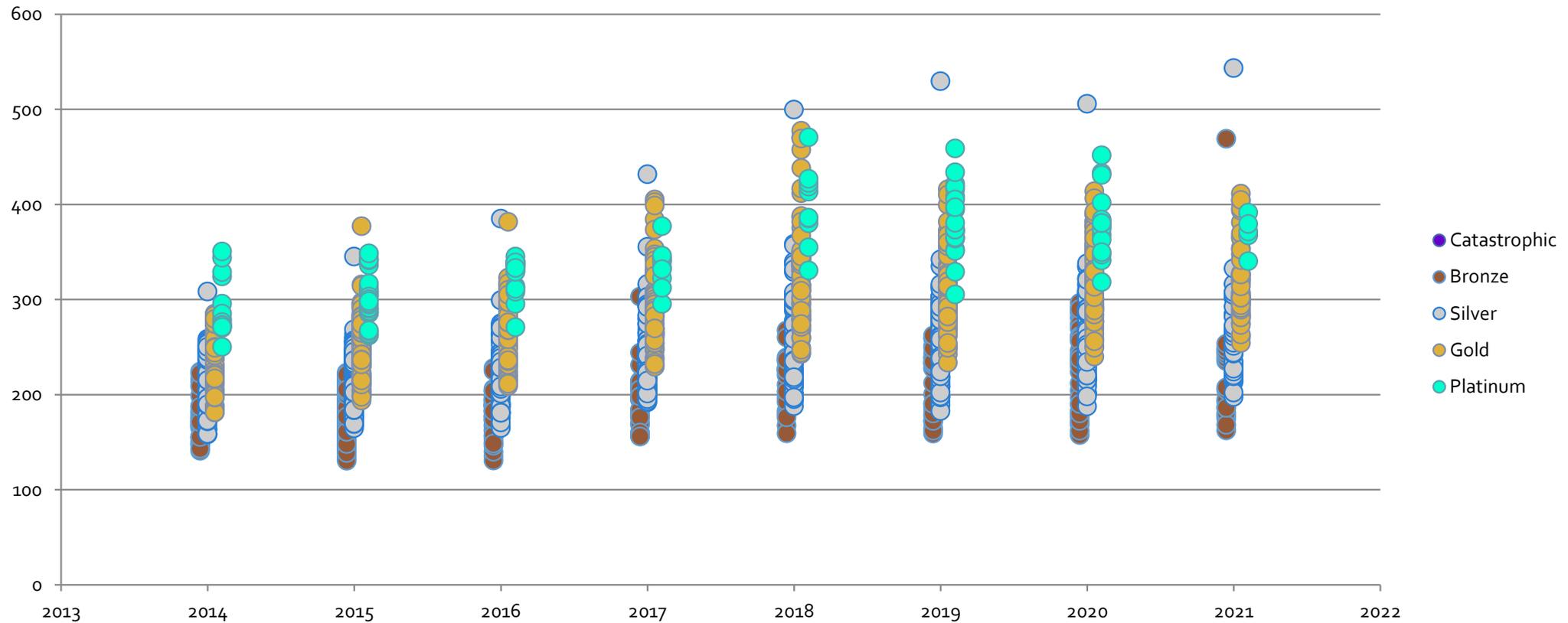
# Small Group Market Loss Ratio Over Time



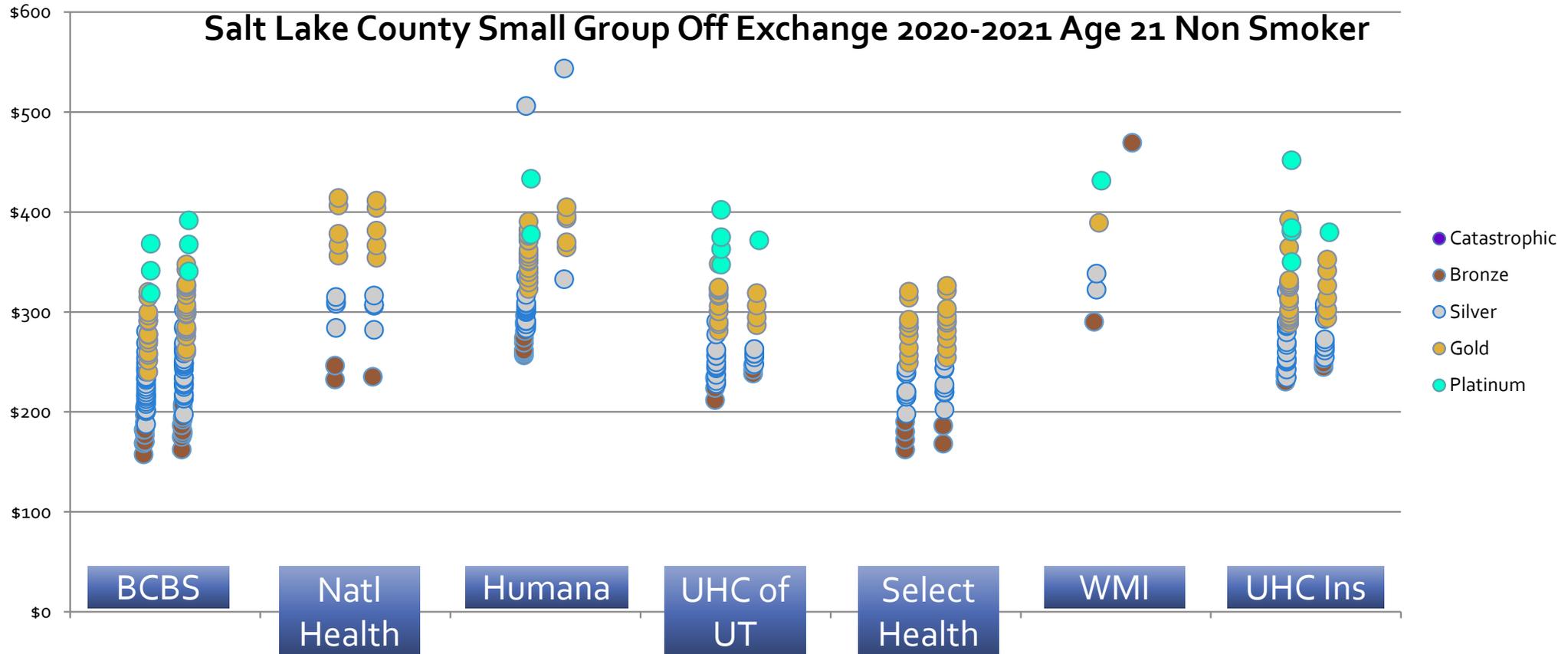
	2014 - 2016	2017	2018	2019	All Years
Premiums (net of MLR rebates)	1,633M	606M	631M	637M	3,506M
Incurred Claims (net of Rx rebates)	1,447M	515M	528M	561M	3,051M
Member Months	5.8M	1.9M	1.9M	1.9M	11.4M
Premium PMPM	282	323	338	343	308.03
Incurred Claims PMPM	250	274	283	303	268.06
Raw Loss Ratio	89%	85%	84%	88%	87%
After Reinsurance Loss Ratio	89%	85%	84%	<b>88%</b>	87%

Year	Average increase
2017	9.7%
2018	9.9%
2019	0.0%
2020	2.0%
2021	3.9%

# Small Group Premium by Year

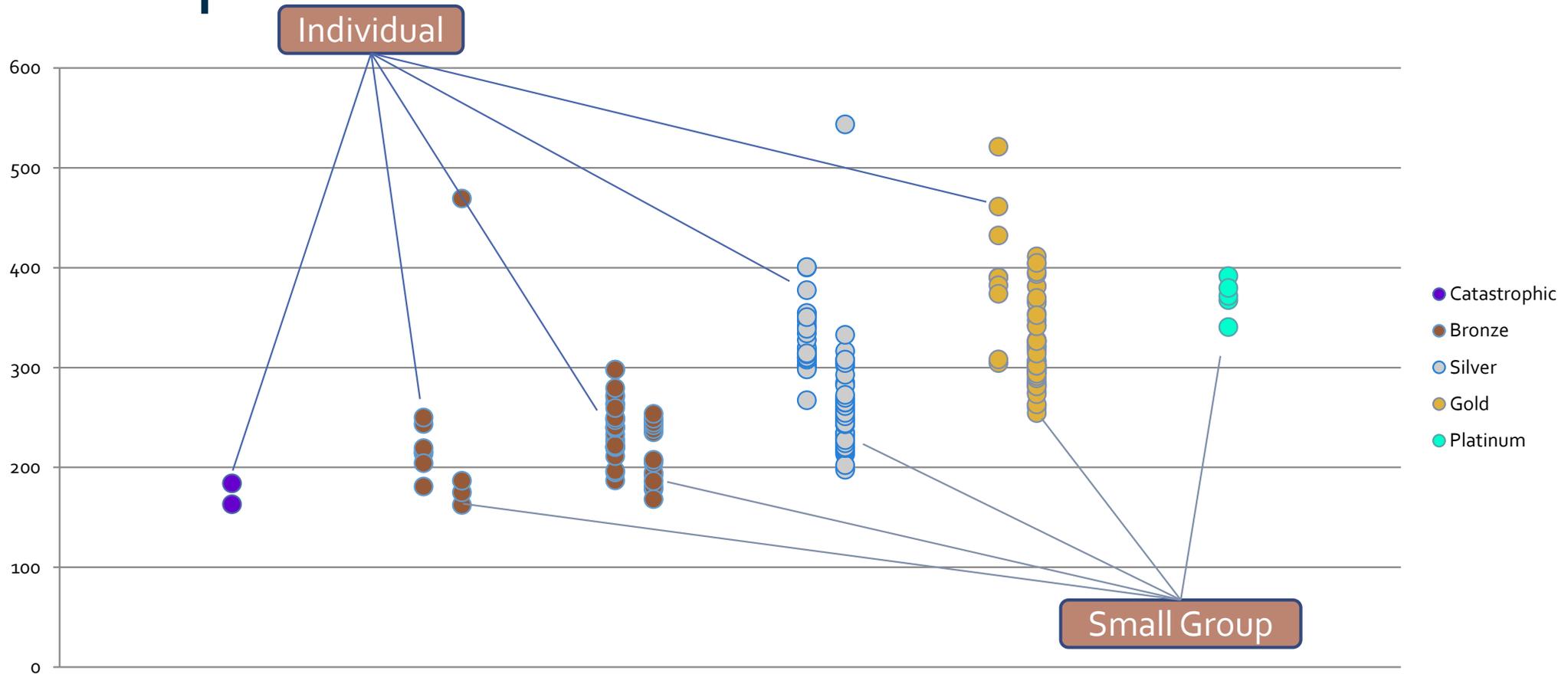


# Small Group Premium 2020 vs 2021



Plan dots that are on the left are 2020 plans, those on the right for the same carrier are 2021 plans.

# 2021 Premium – Individual vs Small Group



Salt Lake County, Age 21, Non-Smoker On & Off Exchange

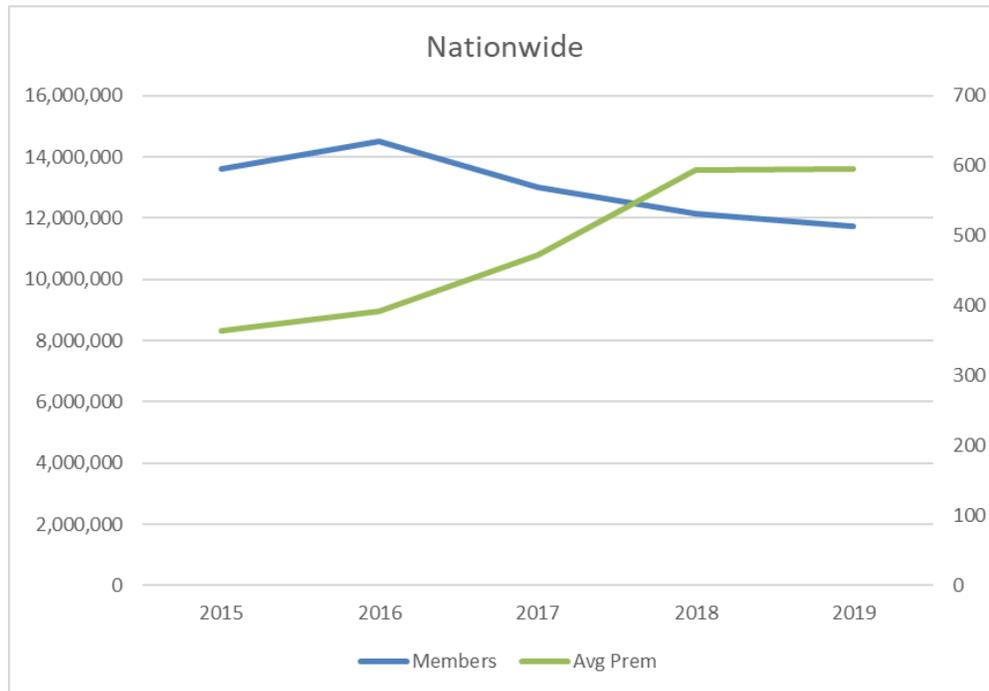
# Why are Individual Market premiums going down?

- Nationwide the benchmark premium for 2021 decreased by 2%
  - Initial overestimation of silver loading
  - More states are implementing 1332 waivers with reinsurance component
  - Increased profitability entices more entrants, more competition brings prices down
  - Removal of the HIT tax

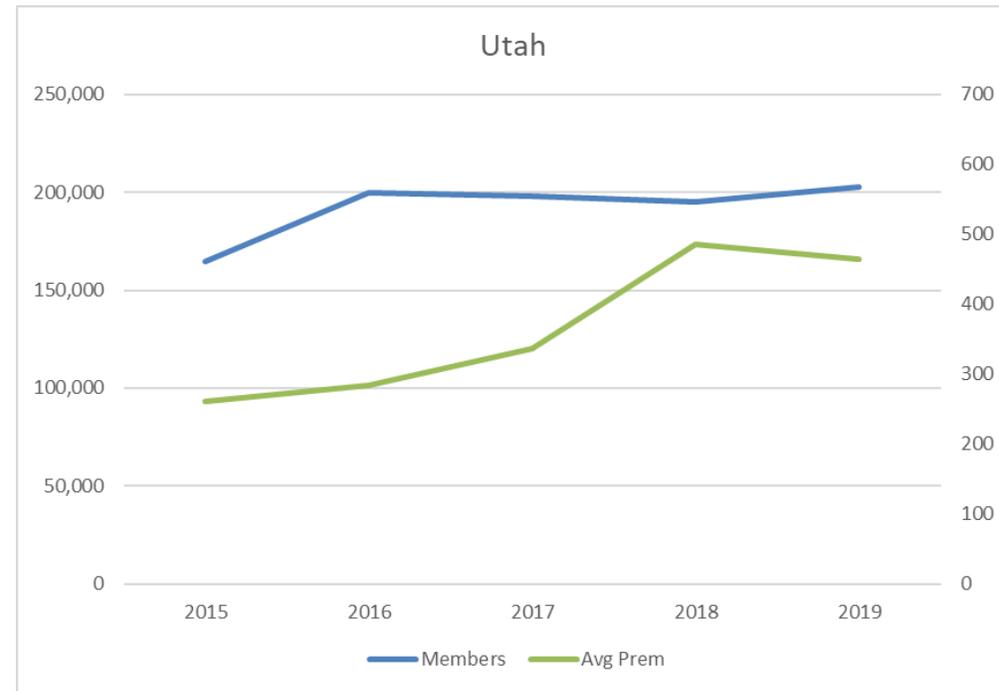
<https://www.cms.gov/CCIIO/Resources/Data-Resources/Downloads/2021QHPPremiumsChoiceReport.pdf>

# Individual Market

## Nationwide

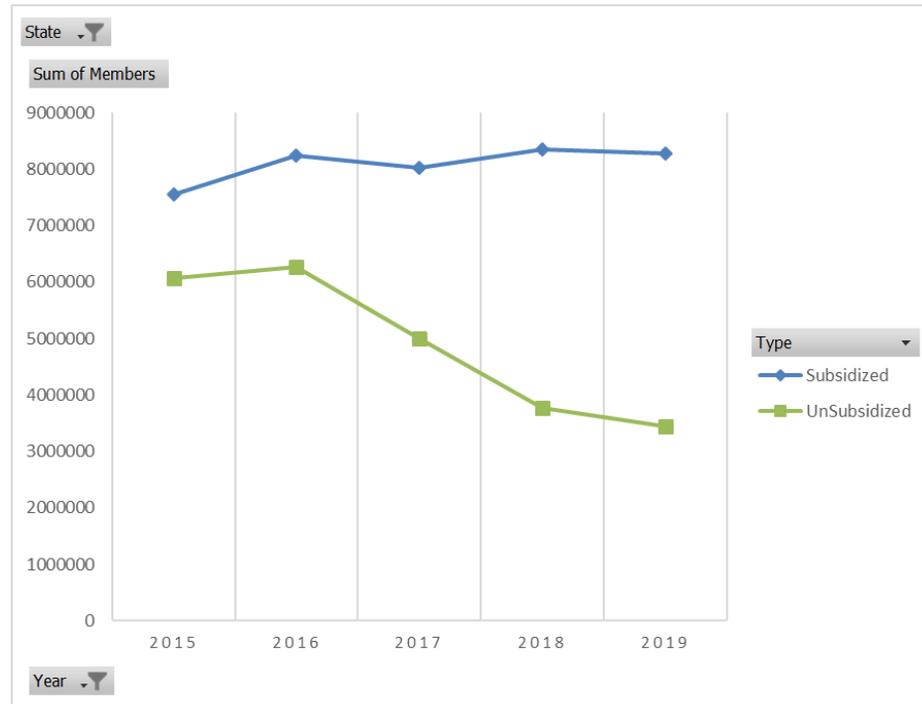


## Utah

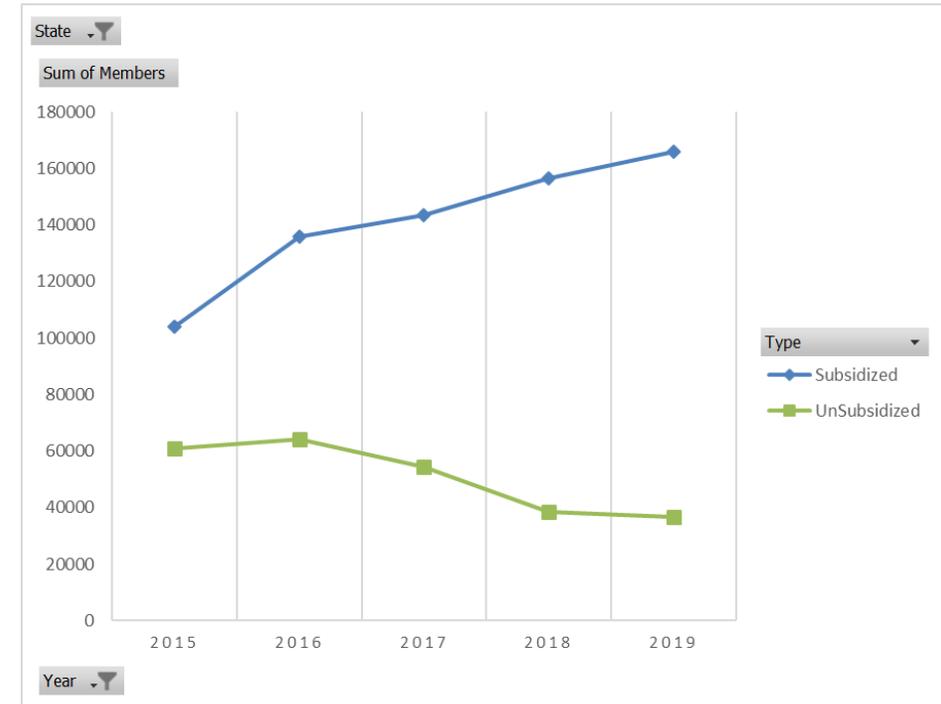


# Individual Market

## Nationwide

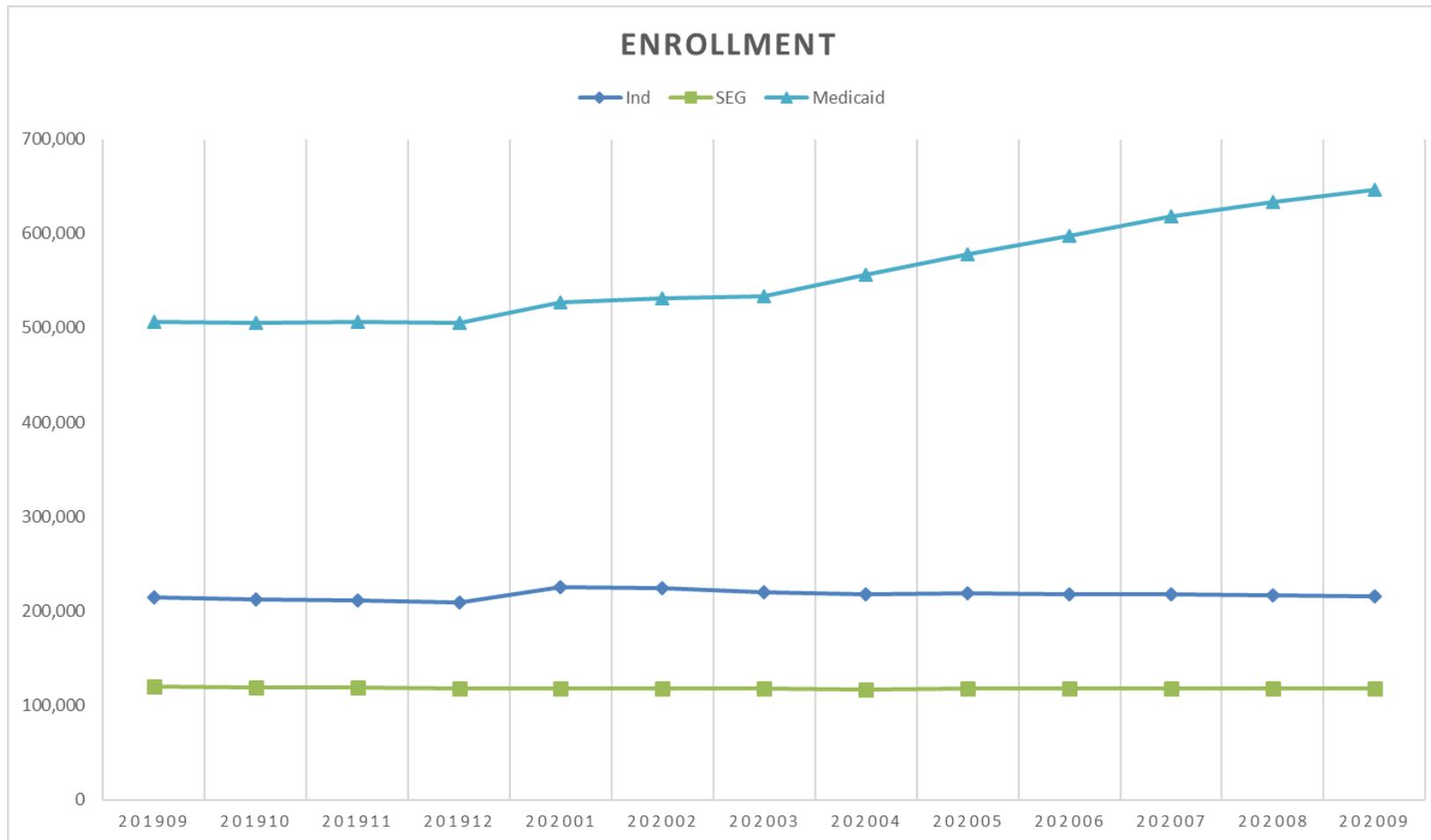


## Utah



<https://www.cms.gov/CCIIO/Resources/Forms-Reports-and-Other-Resources/Downloads/Trends-Subsidized-Unsubsidized-Enrollment-BY18-19.pdf>

# Medicaid Expansion

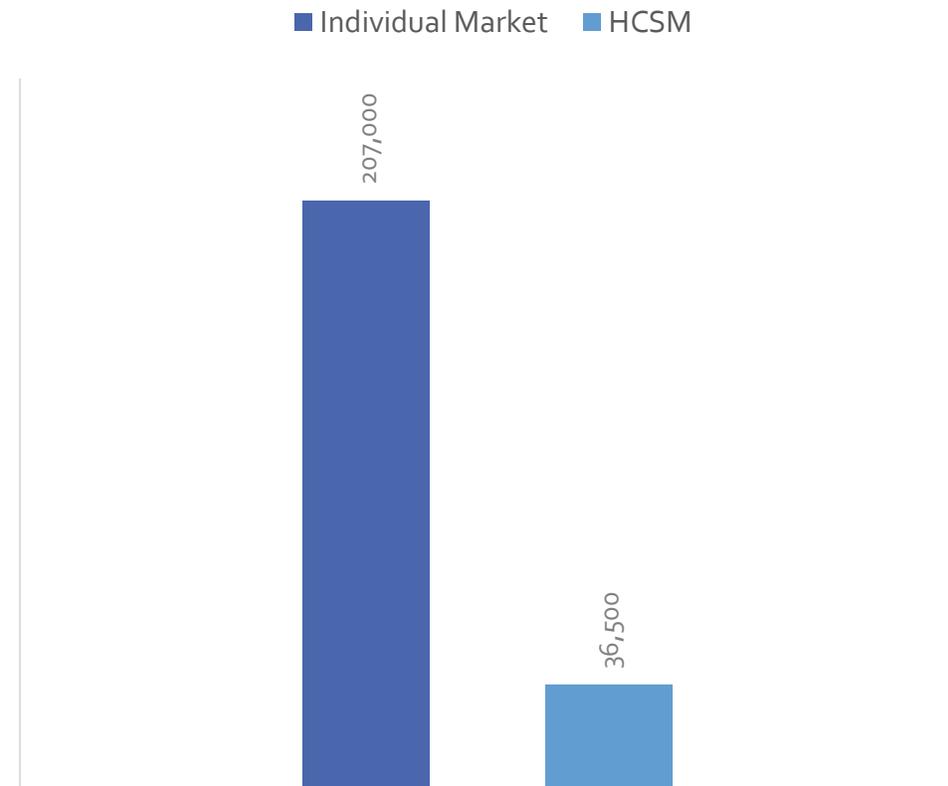


Source: APCD enrollment data

[https://medicaid.utah.gov/Documents/pdfs/UTAH%20MEDICAID%20EXPANSION\\_%20Toolkit.pdf](https://medicaid.utah.gov/Documents/pdfs/UTAH%20MEDICAID%20EXPANSION_%20Toolkit.pdf)

# Health Care Sharing Ministries

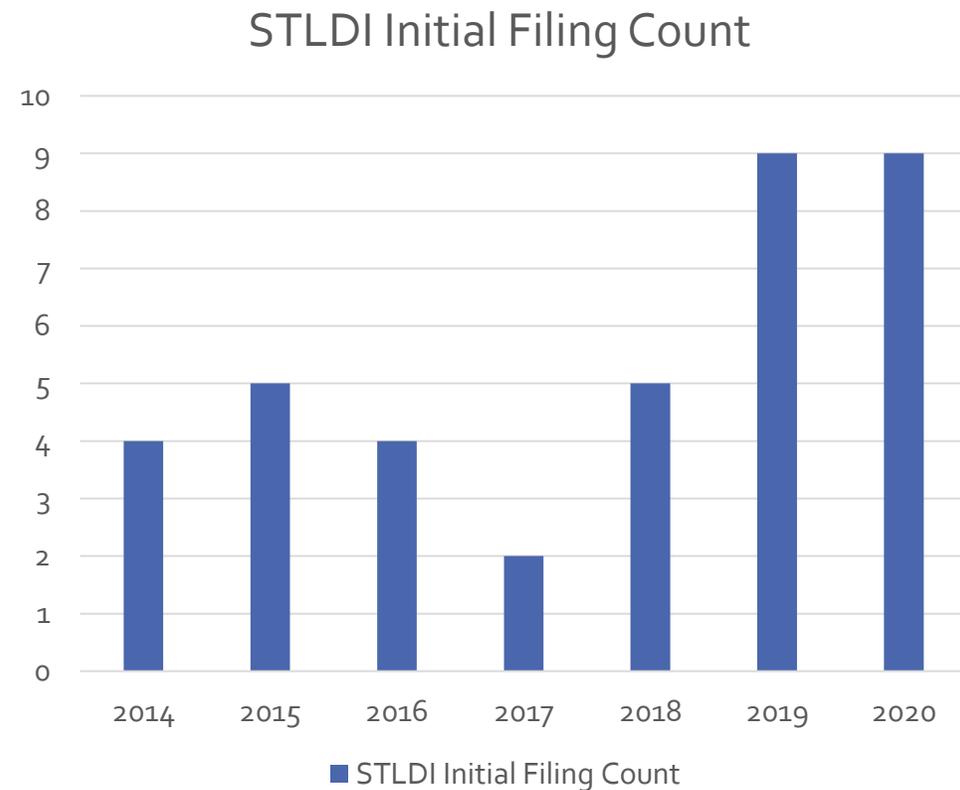
- Approximately 36,500 Utahns get coverage through Health Sharing Ministries
  - Alliance of Health Care Sharing Ministries – 22,000
  - Christian Healthcare Ministries – 14,500



<http://ahcsm.org/about-us/data-and-statistics/>

# Short Term Limited Duration Insurance

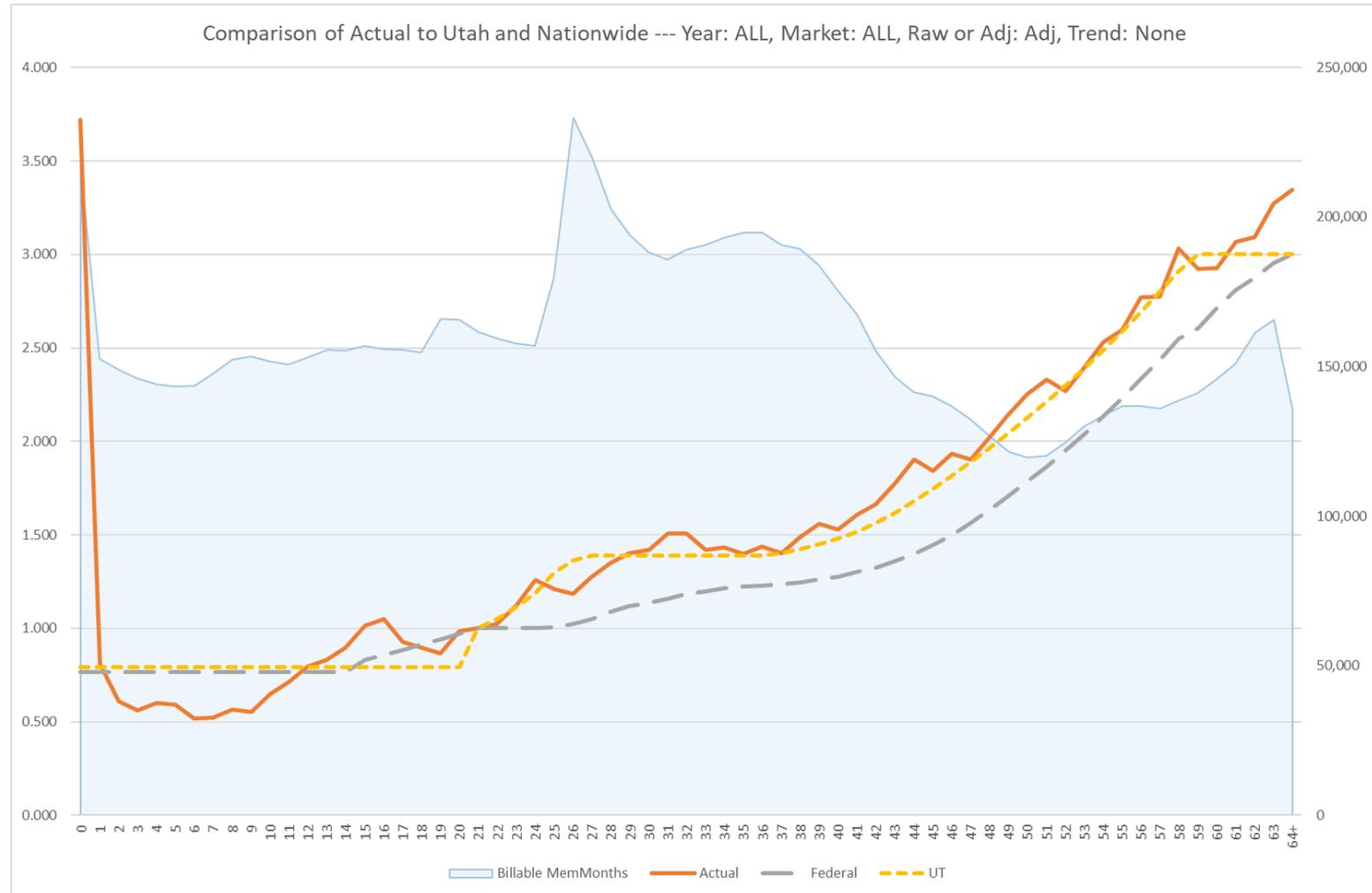
- Underwritten
- Lower premium than ACA
- Can be renewed up to 36 months
- Some unique plans
- Some that have very limited coverage
- Rule R590-285 will be filed this week for formal administrative rule making processes



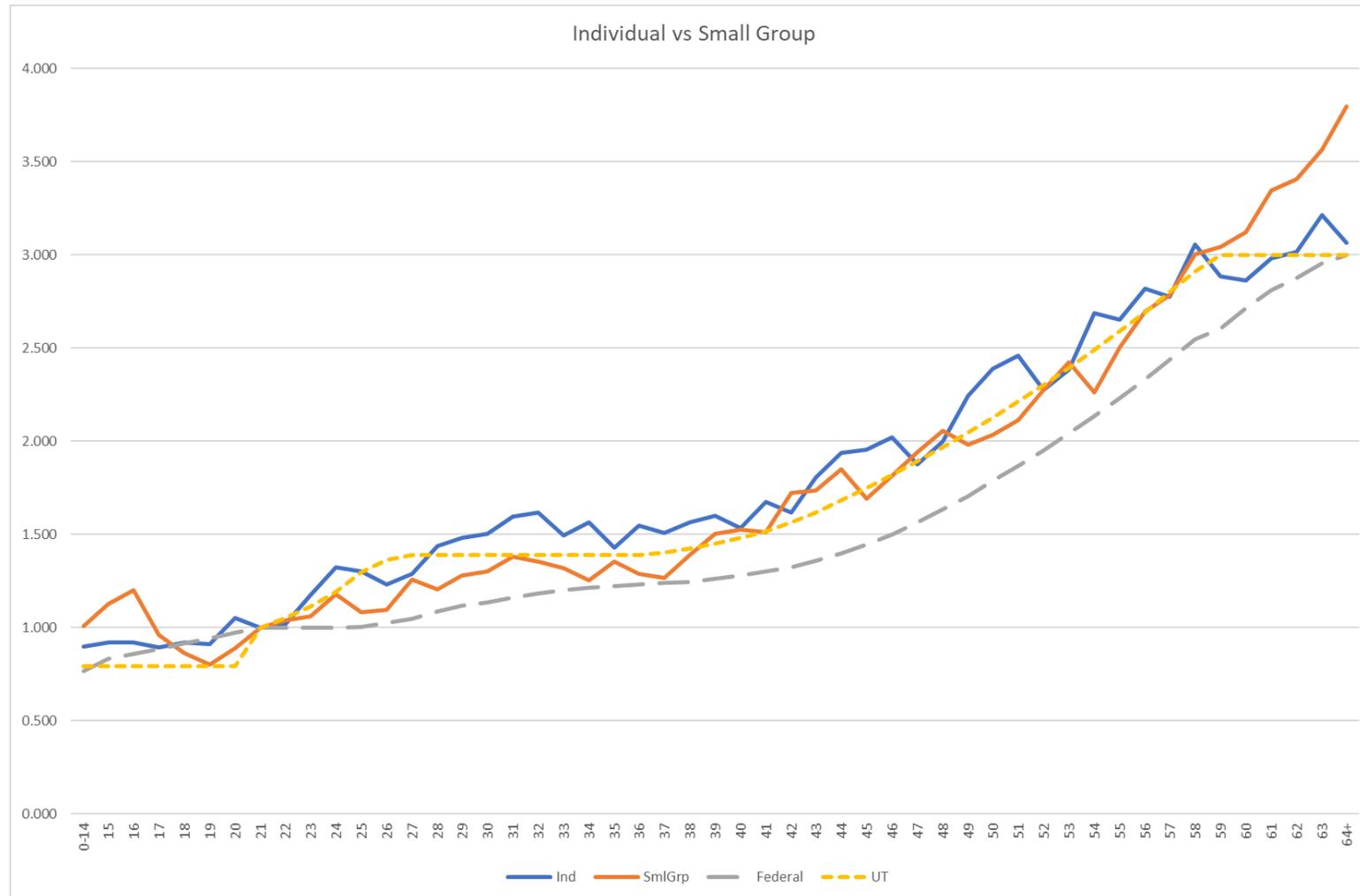
# Utah **A**ge Curve

- Most states use the federal age curve
- Utah has different demographic – younger, more kids
- Utah age curve implemented for 2014 based on group data
- 2020 study to check if the curve fits ACA data
  - Data from carriers that represent > 90% of market by premium volume
  - 2016-2018 data
- We determined based on the study that the ACA data reasonably fits the Utah age curve for ages 21+

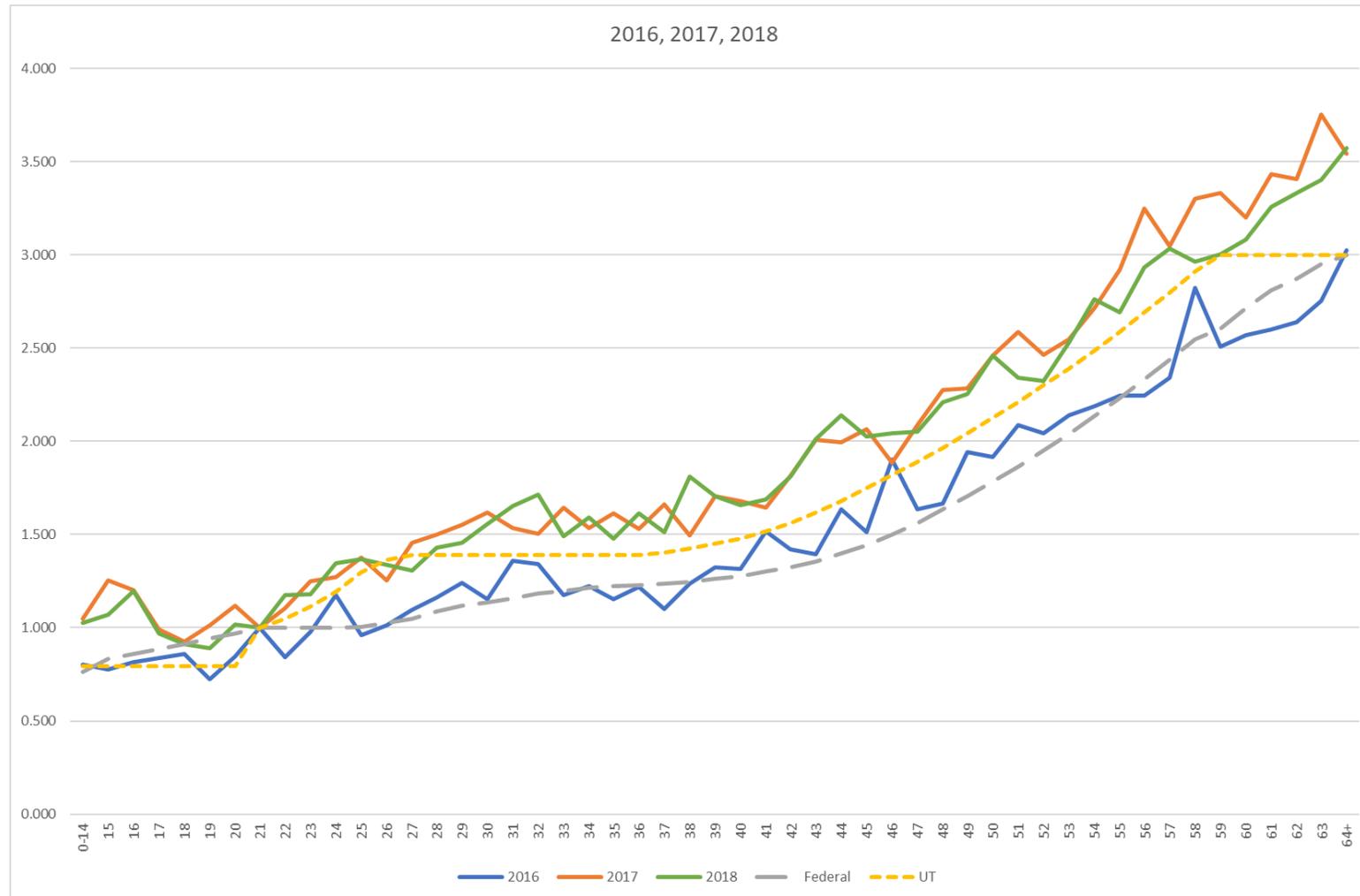
# Utah Age Curve



# Utah Age Curve – Ind vs Small Group

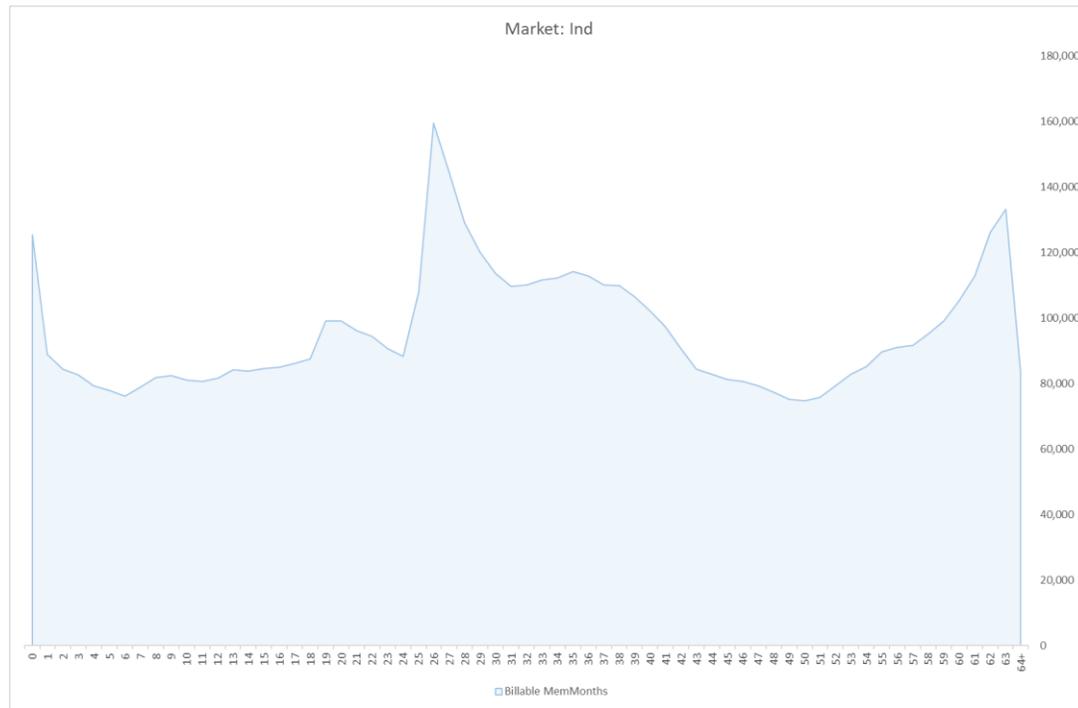


# Utah Age Curve

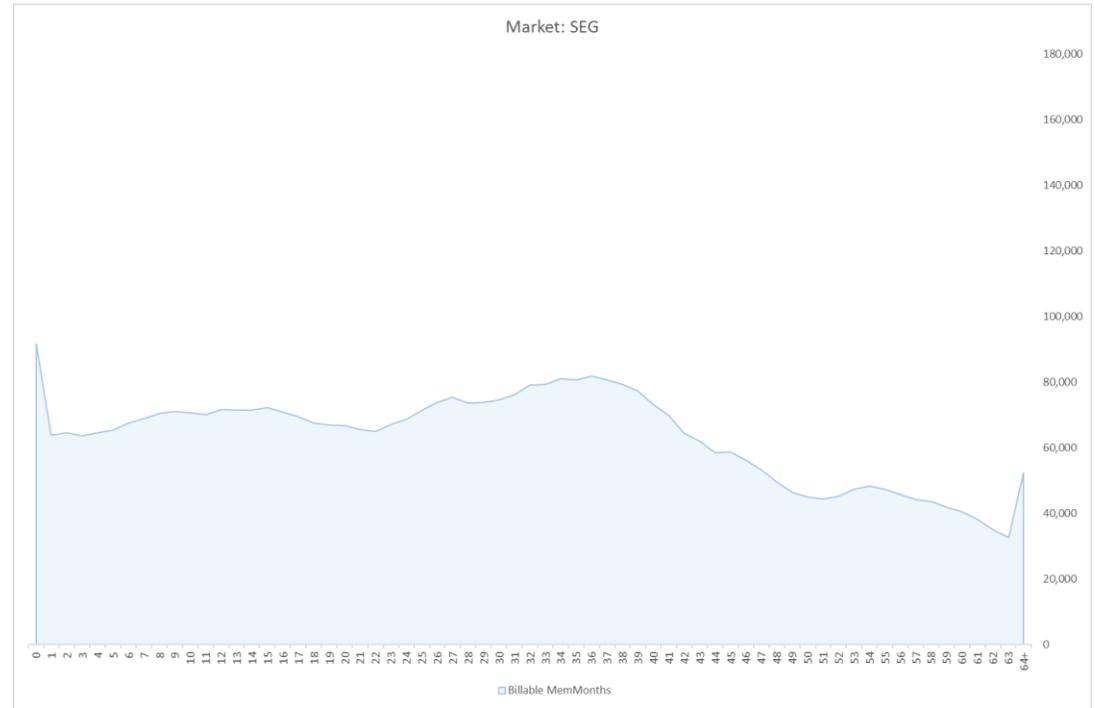


# Utah Age Curve – Ind vs Small Group

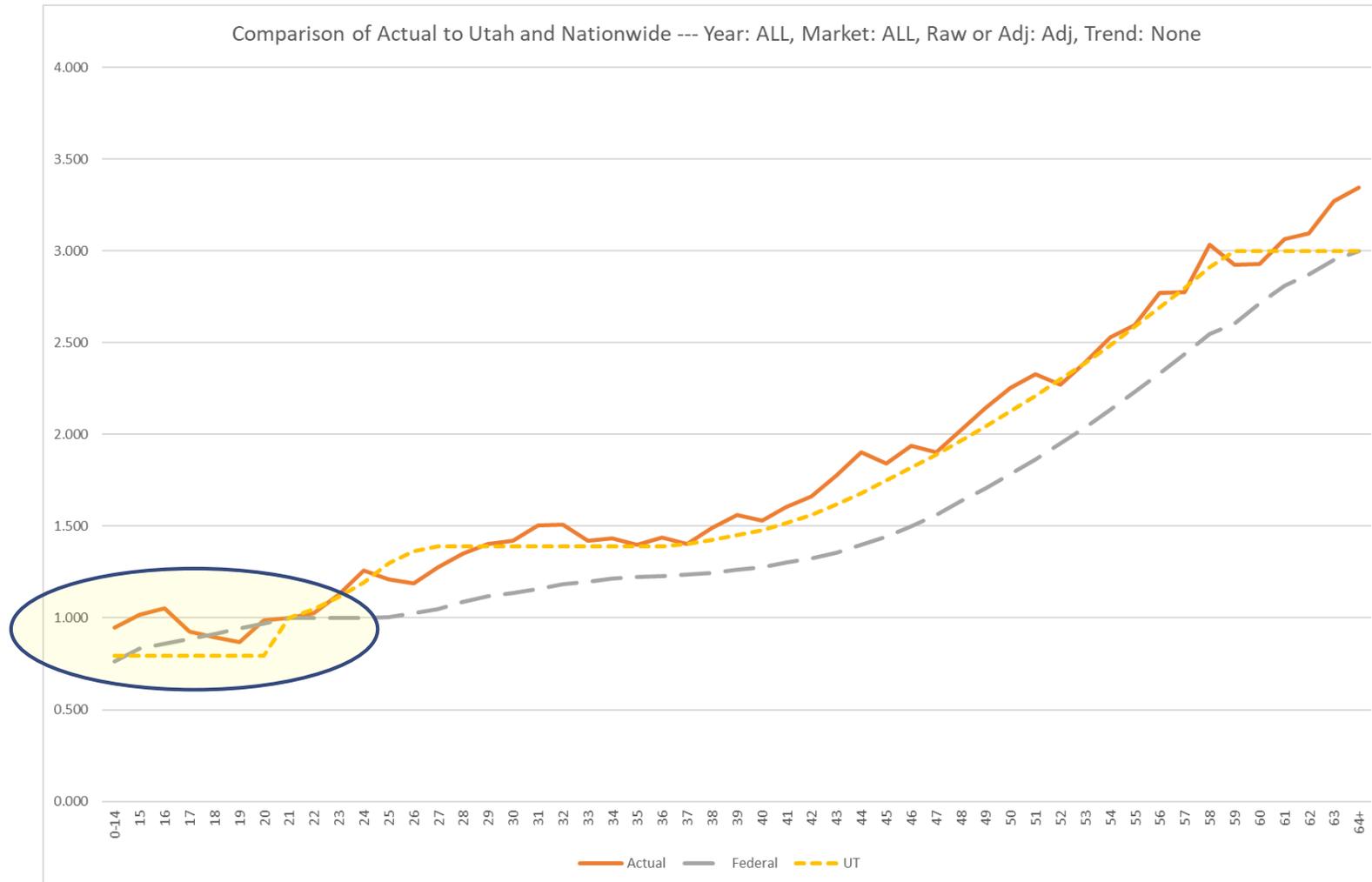
## Individual



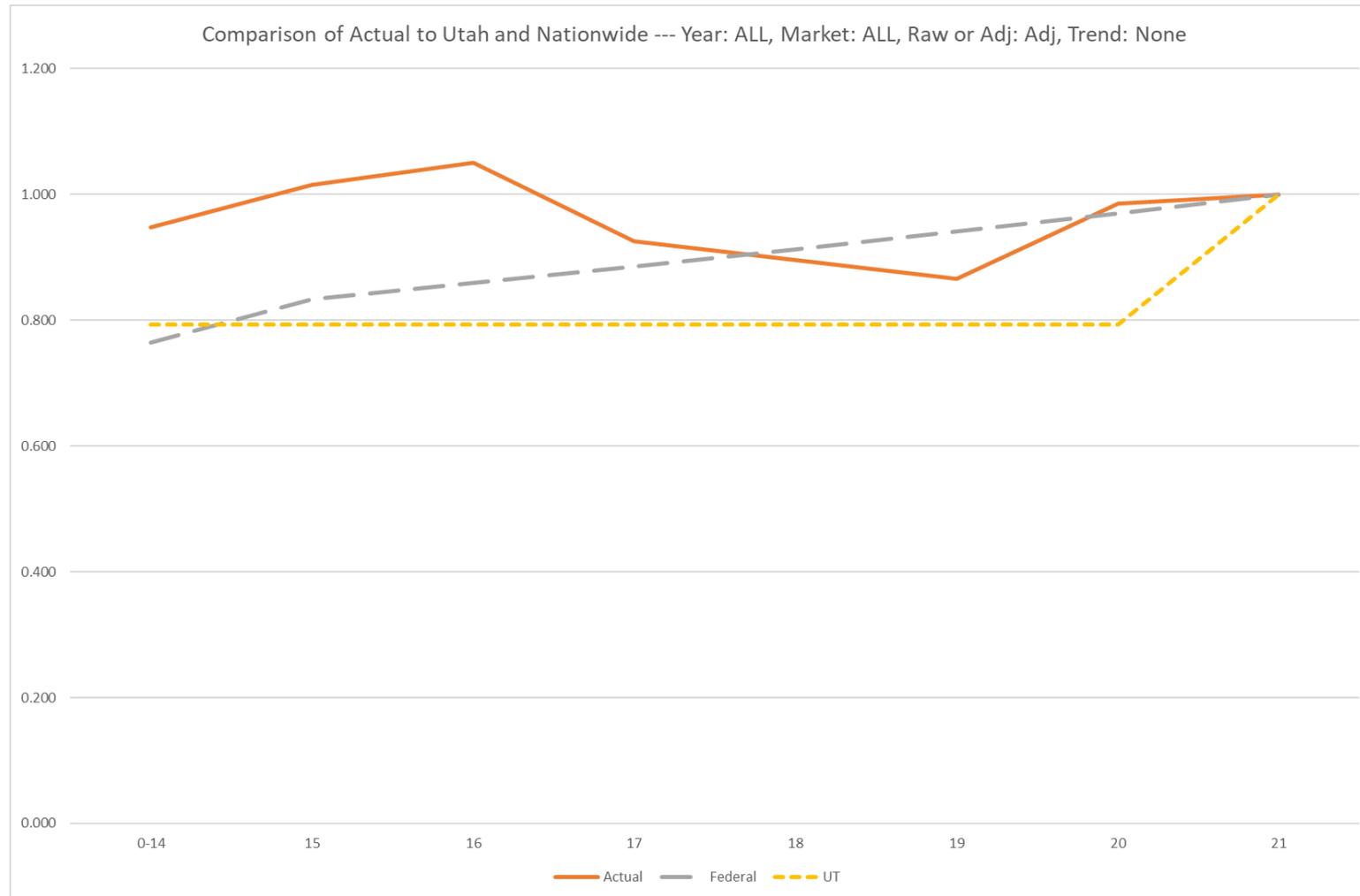
## Small Group



# Utah Age Curve



# Utah Age Curve - Child



# State Mandated Benefits

- Autism – ABA therapy – individual market
  - Between 100-150 individuals getting ABA therapy
  - Best Estimate for 2020 state defrayal:

**\$2.25 – \$3.15 Million**

# Risk Corridors

STATE	Name	2014	2015	2016	2014 Paid	Total Remaining	**
UT	Molina Healthcare of Utah	-34,984	3,557,849	19,606,971	0	23,129,837	
UT	Arches Mutual Insurance Company	12,016,801	46,411,167	0	2,024,887	56,403,081	
UT	BridgeSpan Health Company	2,017,052	7,713,828	0	339,883	9,390,997	
UT	Aetna Health of Utah, Inc.	2,007,973	3,061,830	0	338,353	4,731,450	
UT	University of Utah HealthInsurance Plans	0	0	182,764	0	182,764	
UT	Humana Medical Plan of Utah, Inc.	9,670,213	489,707	1,711,864	1,629,476	10,242,308	
UT	UnitedHealthcare of Utah, Inc.	-83,845	6,697	53,669	0	60,366	
UT	SelectHealth	83,536,863	111,055,255	143,988,818	14,076,349	324,504,587	
<b>Total</b>		<b>109,130,073</b>	<b>172,296,334</b>	<b>165,544,087</b>	<b>18,408,946</b>	<b>428,645,390</b>	

\*\* The total remaining is not what the carrier will get as a result of the lawsuit outcome. This amount will be offset by legal costs and some carriers sold all or a part of the bad debt expense to third parties for a reduced sum back in 2016/2017.

<https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs>

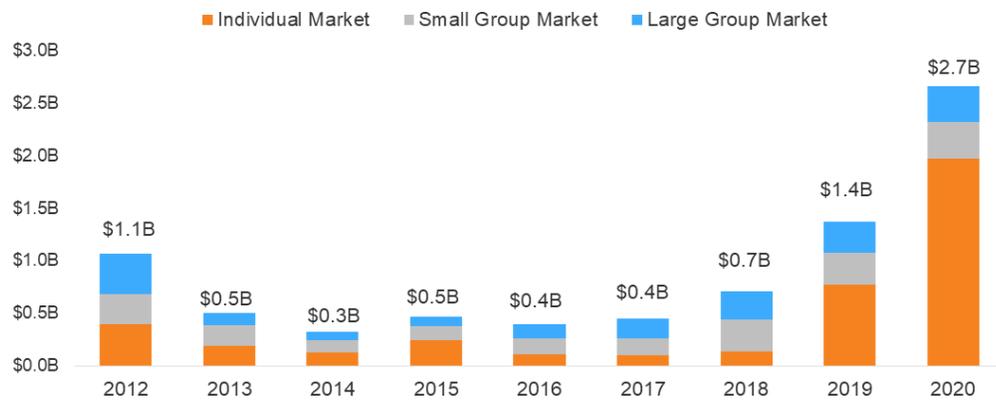
# Cost Sharing Reductions

- In late 2019 Congress prohibited the federal government from banning silver loading through 2021
- Aug 2020, appellate court determined the government “violated its obligation to make cost-sharing reduction payments” to insurers and that “the obligation is enforceable through a damages action in the [Claims Court]...”
  - Mostly affects 2017 prior to silver loading, the decision said any obligation for 2018 and later should be offset by silver loading amounts already received by insurers
- For now, states can (and should) still silver load, but the future of CSRs is still uncertain

# Medical Loss Ratio

Figure 2

## Medical Loss Ratio Rebates, 2012-2020



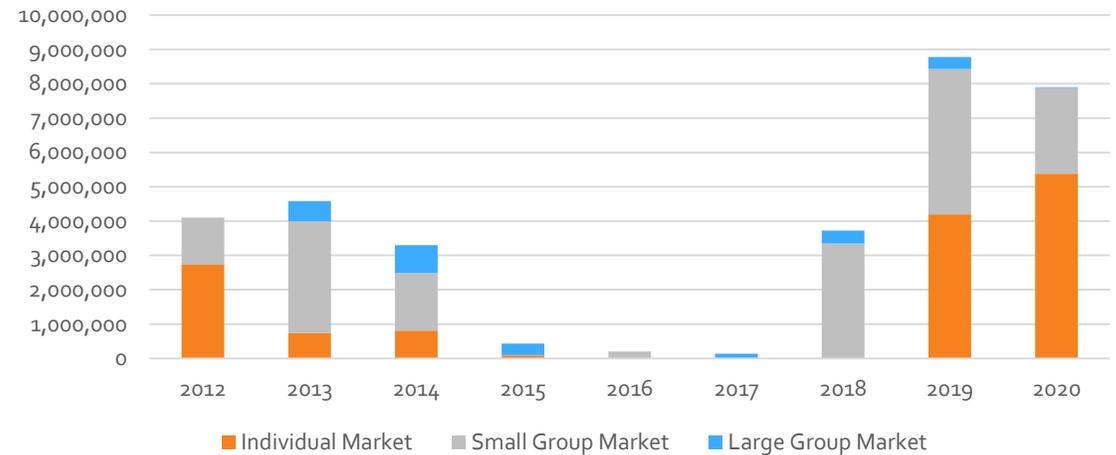
NOTE: Rebates being paid out in 2020 are based on experience from 2017 – 2019 and will be issued to consumers enrolled in 2019. Rebates for 2020 are based on preliminary insurer estimates, and final numbers will be released later in 2020. The large group market only includes fully-insured plans. This figure does not include mini-med plans.

SOURCE: KFF analysis of rebate submissions by insurers to CMS.



Nationwide

## Medical Loss Ratio Rebates, 2012-2020 Utah

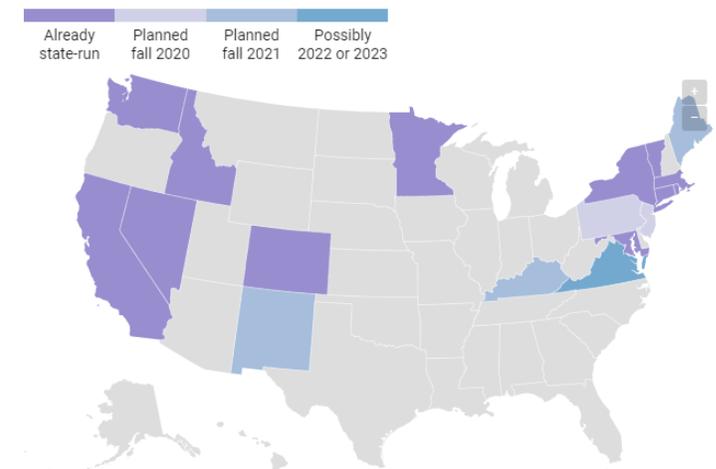


Utah

# What are other states doing?

- MD and DE created their own HIT provider tax to replace the one that was repealed. Used that money to help pay for the 1332 reinsurance program.
- ID created Enhanced Short Term Limited Duration plans to help those that don't qualify for subsidies
- PA/NH/NJ moved to a state based exchange because they can do the same exchange functions for less than the ~3% of premium charged by federal exchange
- Some states considering standardized plan designs

## State Based Exchange



Credit: Hannah Norman/KHN  
Source: KHN, KFF - [Get the data](#)

Source: KHN-KFF

# 1332 Waivers

Statewide Average Premium Impact of Section 1332 State-Based Reinsurance Programs<sup>1</sup>

State	First Year of Operation Under a Waiver	Estimated Statewide Average Premium Reduction in First Year of Waiver <sup>2</sup>	Actual Statewide Premium Reduction from Waiver Compared to No Waiver <sup>3</sup>		
			2018	2019	2020
Alaska	2018	Up to a 20% reduction	30.2%	34.0%	37.1%
Minnesota	2018	Up to a 20% reduction	16.8%	20.2%	21.3%
Oregon	2018	Up to a 7.5% reduction	7.2%	6.7%	8.0%
Maine	2019	Up to a 9% reduction		13.9%	7.2%
Maryland	2019	Up to a 30% reduction		39.6%	35.8%
New Jersey	2019	Up to a 15% reduction		15.5%	16.9%
Wisconsin	2019	Up to an 11% reduction		9.9%	11.0%
Colorado	2020	Up to a 16% reduction			22.4%
Delaware	2020	Up to a 20% reduction <sup>4</sup>			13.8%
Montana	2020	Up to an 8% reduction			8.9%
North Dakota	2020	Up to a 20% reduction			20.0%
Rhode Island	2020	Up to a 5.9% reduction			3.8%
<b>Average Premium Reduction<sup>5</sup></b>			<b>12.7%</b>	<b>17.8%</b>	<b>17.7%</b>

# 1332 Waivers

## 1332 REINSURANCE WAIVERS APPROVED PASS THROUGH DOLLARS - AUGUST 2020

STATE	YEAR IMPLEMENTED	PASS THROUGH DOLLARS ESTIMATED (2020)	PASS THROUGH DOLLARS APPROVED (2020)	PERCENT ESTIMATED/APPROVED
Alaska	January 1, 2018	\$65,716,251	\$76,699,460	117%
Colorado	January 1, 2020	\$162,800,000	\$169,447,687	104%
Delaware	January 1, 2020	\$20,000,000	\$21,674,268	108%
Maine	January 1, 2019	\$37,500,000	\$26,291,971	70%
Maryland	January 1, 2019	\$319,000,000	\$447,277,359	140%
Minnesota	January 1, 2019	\$199,547,508	\$86,063,821	43%
Montana	January 1, 2020	\$22,100,000	\$22,490,988	102%
New Jersey	January 1, 2019	\$244,400,000	\$190,015,727	78%
North Dakota	January 1, 2020	\$26,116,306	\$21,488,350	82%
Oregon	January 1, 2018	\$30,704,066	\$54,411,583	177%
Rhode Island	January 1, 2020	\$6,400,000	\$5,239,671	82%
Wisconsin	January 1, 2019	\$163,861,220	\$141,955,242	87%

<https://www.shadac.org/publications/resource-state-based-reinsurance-programs-1332-state-innovation-waivers>

# 1332 Waivers

State	2020 Planned Cost*	2020 Approved Pass Through*	% Covered by Pass through
AK	69	76.7	111%
CO	250	169.4	68%
DE	26.9	21.7	81%
ME	93	26.3	28%
MD	400	447.3	112%
MN	169	86.1	51%
MT	34.5	22.5	65%
NJ	320	190	59%
ND	47	21.5	46%
OR	101.8	54.4	53%
RI	14.7	5.2	35%
WI	200	142	71%

\*in millions

<https://www.shadac.org/publications/resource-state-based-reinsurance-programs-1332-state-innovation-waivers>

<https://www.cms.gov/CCIIO/Programs-and-Initiatives/State-Innovation-Waivers/Downloads/1332-Data-Brief-June2020.pdf>





Strike me down and more people will lose health insurance than you can possibly imagine.



I imagine it's a lot, something like 23 million when you consider the impacts on Medicaid expansion. I'm well informed, Ben, I read like twelve newspapers a day.



Yes, but have you thought about the 133 million Americans under age 65 that have a pre-existing condition?



Are you sure you're not exaggerating that number just a little bit?



Do *you* have any pre-existing conditions?

Hmm...

- Right arm cut off
- Left arm and legs cut off
- Body burnt by volcano
- Lungs and trachea damaged by sulphuric gas
- Soul damaged by dark side...

# Recommendations

- Consider a state based exchange – 2.5% of total Individual market premium is \$28M
- Consider some way to help the unsubsidized individual market population
  - 1332 wavier with reinsurance component
  - Direct premium subsidy for people with > 400% of FPL
- Expanded use of the APCD for analysis of insured movement (ACA to Medicaid or vice versa)

**GO AGGIES!**

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